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BOSTON FINANCE COMMISSION

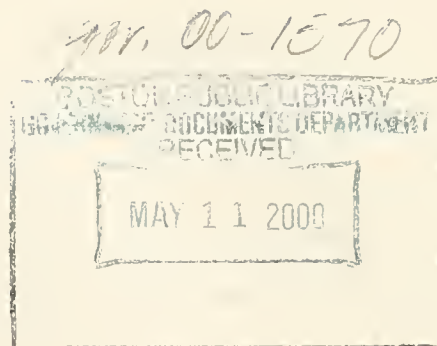
MIXED REPORTS

- 1) **Report on the Award of a Contract for the PVPMISS for the Transportation Department. (February 1989).**
- 2) **The City of Boston Rent Control Ordinance and the Rent Equity Board. (October 1989).**
- 3) **Police Department Staffing and Deployment. (August 1990).**
- 4) **The Uniform Procurement Act. (April 1990).**
- 5) **The Status of Collective Bargaining Agreements in the City of Boston. (July 1991).**
- 6) **Boston School Bus Drivers. (Dec. 1992).**
- 7) **Boston Housing Authority Solid Waste Disposal Costs and Service. (April 1993).**
- 8) **Report on Tax Foreclosure and Property Disposition. (August 1993).**
- 9) **A Tax Amnesty Program for the City of Boston. (Nov. 1993).**
- 10) **An Analysis of the Boston Fire Department. (July 1994).**
- 11) **Contract Negotiations with the BPPA Provide the City with an Opportunity Towards Fulfilling the Objectives of Community Policing. (February 1994).**

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February 17, 1989

REPORT ON THE AWARD OF A CONTRACT FOR THE
PVPMISS FOR THE TRANSPORTATION DEPARTMENT

INTRODUCTION

The City of Boston has announced the award of a new five year contract for the provision of a parking violations/parking management information services system (PVPMISS) to Datacom Systems Corp., a Lockheed Company. The contract was awarded following a lengthy RFP process which resulted in three major companies submitting proposals to the City of Boston.

The Finance Commission has had a longstanding interest in parking management services and particularly this contract. We have closely monitored the performance of Datacom Systems Corp. over the years and insisted that the City seek competition for parking management services.

The City of Boston issues over 2 million parking tickets annually and generates revenues of \$40 million through the services of the PVPMISS contract. Furthermore, the system has significant parking management capabilities. It is an integral part of the resident parking program, meter management system, improvements in traffic flow, various public safety issues and increasing the availability of on-street parking spaces.

HISTORY OF PVPMISS

Control of the parking violation system was given to the City from the Municipal Court in 1982. An initial contract for parking management and collection services was awarded by the City to the State Street Bank and Datacom Systems Corp. with the bank as the prime contractor. State Street/Datacom was the sole bidder in FY 1983 and was awarded the contract.

The Finance Commission became involved in monitoring the contract in 1983. At that time the Commission strenuously objected to a proposed two year unadvertised extension of the contract, arguing that it was unwarranted on its merits and that it placed an unfair restraint on the incoming administration. The idea was dropped as a result.

Datacom was linked to bribery charges in New York and Chicago, although in both cases Datacom was apparently only a victim. The Commission became particularly concerned when former Datacom President Joseph Delario testified under a grant of immunity in a New York corruption trial that he was pressured to pay a bribe in order to win a contract in that City. Delario had previously put together packages for Datacom's municipal clients keeping them informed of events in Chicago and New York all the while emphasizing that his company had no connection with any bribery attempts. Delario was later removed as the President of Datacom but his testimony in the New York corruption trial hurt the company. However, there were no suggestions of impropriety with the Boston contract.

For these reasons, the Commission determined that this was a contract that it should continue to review.

In 1986 Datacom submitted the only proposal in response to an RFP despite what was considerable initial interest. The award to Datacom at that time was the only choice the City had and the cost to the City was lower than Datacom had been receiving under its then existing contract. It appeared to the Commission that the company underbid itself because it expected competition for the award. The lack of bids was probably due to the fact that the City did not allow prospective bidders sufficient time to develop and submit a proposal for such a complex system.

RFP TIMETABLE

The RFP was released on July 6, 1988. A mandatory bidders conference was held on July 27, 1988 and proposals were due on September 23, 1988. The evaluation process, which was fully explained in the RFP, was to occur from September 23, 1988 to December 14, 1988. The decision on the award was due in January, 1989 with the new system to be in operation on July 1, 1989.

There were nine companies represented at the bidders conference in July but only three firms submitted proposals; Datacom, EDS Federal Corp and Computil Corp. The review process progressed in accordance with the timing stated in the proposal.

RFP PROCESS

The Finance Commission devoted a considerable amount of time to the current RFP process. Because of the Commission's past experience and the fact that this is planned to be a five year contract involving a substantial amount of money, it was decided that getting involved early and pointing out potential

problems was the best way to review the contract. The City agreed to allow Commission's staff to sit in on the process and accepted recommendations for improvement.

The Commission was concerned that the people assigned the task of evaluating the RFP were city employees who had worked closely with Datacom over the years. Thus it was recommended that an experienced outside consultant be brought in. The Boston office of Deloitte, Haskins and Sells was selected as it had direct experience with the contract having performed an internal control review of the system during 1988. Deloitte had been selected to perform that review as a result of an RFP process. Its experience with the system meant that it was the best and perhaps the only choice to meaningfully become involved in the RFP process for the PVPMISS.

There was a perception that the RFP favored the current vendor. It did. Datacom had an advantage because it operated the system. The City demanded a turnkey operation from a tried and tested vendor. Potential competitors had complained about that but the City required a system that would meet its needs without disruption to the process.

The present contract, held by Datacom, was awarded based on a previous RFP which was written to design and develop a PVPMISS. That having been accomplished the current RFP sought the production of a system which had been developed and enhanced over the years. The RFP was specific and demanding. All vendors had a chance to compete for the project. The fact that Datacom was awarded the contract was due to its superior presentation and demonstrated excellence. Its proposal was the best choice available to the City by any reasonable review of the competing proposals.

EVALUATION CRITERIA

The RFP was thorough and well organized. It described the current system. It identified the quality, quantity, systems, services features, benefits and miscellaneous elements that the City expected to receive. It identified seven specific areas of need which formed the basis of the evaluation process:

1. Provisions of a proven, established, operationally tested system in a production environment;
2. Experience, reputation, capability and demonstrated effectiveness in parking violation parking management information services systems;
3. Technical capability and expandability along with conversion experience and capability;
4. Experience in interfacing, reviewing and processing data from motor vehicle agencies along with the processing of non-renewal transactions at such agencies;
5. Technical assistance, new system development capability and resource availability;
6. Quality and specificity of proposal;
7. Pricing/cost.

EVALUATION OF PROPOSALS

The initial step was to review the proposals for responsiveness to the RFP. Unless a determination was made that a proposal had merit, it would not be further reviewed and evaluated. All three passed that milestone.

The evaluation committee then had to rate each proposal against the RFP criteria and assign rankings. The rankings were superior, adequate and not

adequate. Definitions of each category were developed and a point assessment system was established. There was a range of points allowed according to the rating for each criteria.

There were major differences in the three proposals and the Datacom proposal was superior in six of the seven evaluation criteria. Only Datacom demonstrated that it had a proven system with the experience to fulfill the terms of the RFP.

DIFFERENCES IN THE PROPOSALS

The first criteria required the ability to provide a proven tested PVPMISS system. Datacom has such a system and is providing it in major municipal markets in Boston, Washington, Philadelphia and Los Angeles. Datacom has in operation all the functions sought by the City. Datacom provided detailed systems information and direct experience in terms of ticket issuance, number of systems, sophisticated levels of programs and software, volumes of transactions, numbers of booted vehicles and integration with the Registry of Motor Vehicles.

EDS cited only three references, all of which were small cities with less than two years of experience and without a complex PVPMISS. EDS references did not show comparability to Boston's needs with certain requirements such as lease/rental, fleet and meter management. EDS does not have the proven system that was called for in the RFP.

Computil cited five references and it too only cited smaller systems. Worcester, Mass was its largest client but Worcester issues only 150,000 tickets annually compared to Boston's 2 million tickets. Computil offered only six out of State Registry agreements. It did not have a lockbox system meeting

Boston's needs. It offered no experience with boot and tow, SWAP, Lease/rental, fleet or meter management.

The second criteria called for the capability and experience to produce the system. Again there was a large difference in the proposals. Datacom has the capability, it offered more staff and more experienced staff. The personnel numbers committed the vendors to staffing levels and indicated whether they understood the degree of sophistication of the system. The current vendor offered more than twice the staff resources of Computil. EDS committed itself to less personnel as well, and although it was believed that it had the resources to develop the system, EDS could not prove any experience in designing a major PVPMISS system. The RFP required vendors to specifically identify personnel and their qualifications. There was doubt that EDS or Computil could develop the needed system and have it up and running on July 1, 1989 with the resources they stated they would provide to the City.

The third item was technical capability. Although Datacom did not have the need to convert a system it offered a comprehensive plan to do so. The others did not fulfill the requirements of the RFP. Neither EDS nor Computil had ever completed such a major conversion. Computil would be essentially converting from a court adjudicatory system to a major PVPMISS. Computil is in the process of doing that now in Chicago, Illinois but the conversion hasn't been completed. Further, the staff in charge of that conversion is the same staff proposed to do the City of Boston job. It would be difficult to do both. The burden of proof was on the vendors to show that they could make the change by July 1, 1989 and that was not done.

The fourth criteria required vendors to meet the most basic requirement of the system which was to produce accurate and complete data and be able to

process it. Datacom has shown that ability here and elsewhere. Computil was vague in too many areas. It did not have a SWAP capability. It charges for out of state registry processing at cost. It failed to explain how it posts and processes information and offered no references to indicate it could meet the criteria. EDS did not, through its proposal, convince the City that it could meet this criteria which is essential to the integrity of the system.

The technical assistance category was another area in which EDS and Computil did not submit adequate proposals. Computil offered the City only a small number of technical staff people and the company did not submit enough information to show that it could handle the technical needs of the system. There was a legitimate concern that the City would have to commit its resources to make sure that the system was up and running. EDS offered no PVPMISS experience in its staff and caused a similar concern over its ability to deliver such a technical system.

The sixth criteria involved the quality and specificity of the proposals. There was an enormous difference in the three proposals. Datacom submitted a comprehensive well documented proposal to the City while both EDS and Computil did not.

Both EDS and Computil offered a better price for services rendered. Based on the issuance of 2 million tickets annually the first year costs were EDS \$3,391,000; Computil \$3,160,000 and Datacom \$3,985,000. The present cost for FY 1989 is \$4,454,000. Over five years, again based on issuance of 2 million tickets per year, the costs would be Computil \$16,720,000; EDS \$16,955,000 and Datacom \$22,023,000. But the cost of the contract is only one part of the revenue picture of the PVPMISS. It generates \$40 million annually and over \$200 million in the next five years. There is no benefit to

the City to award a contract to a vendor offering a low price if it cannot prove that it can produce the system required.

CONCLUSION

The end result of the process was that the City had no choice but to select the current vendor to continue under a new five year contract. There is also a cost savings involved as Datacom will receive \$470,000 less as of July 1, 1989 than it receives under the present contract.

The City committed itself to a comprehensive process and followed it. It is difficult to explain the effort that went into the process. But from the perspective of the Finance Commission, this was a thorough RFP process. Prospective vendors have complained that the City did not allow for sufficient competition in the process. There can be no doubt that the present vendor had a competitive advantage but it was due to the fact that it has a proven system.

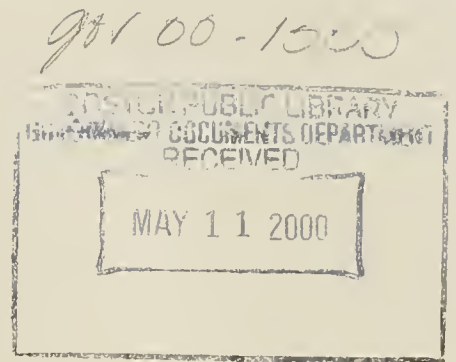
The staff of the Office of the Parking Clerk did a good job in developing and reviewing the RFP. The award to Datacom is in the best interest of the City of Boston. The City has continually enhanced its system over the years. It generates a substantial amount of revenue while providing significant parking management capabilities. The selection of the Datacom proposal was the best choice for the City and the Commission endorses it.

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October 5, 1989

THE CITY OF BOSTON RENT CONTROL ORDINANCE AND
THE RENT EQUITY BOARD

INTRODUCTION AND FINDINGS

The Finance Commission has conducted a review of the management and operations of the Rent Equity Board to determine whether the Board adequately and efficiently fulfills its mandate under the Boston Rent Equity Ordinance. To that end, the Commission has examined case files, met with staff people including the Administrator, Constance Doty and the Deputy Administrator, Mark Snyder, attended Board meetings, and visited the Board's offices numerous times. A detailed first draft of this report was also provided to the Administrator for her review and comment.

The Commission recognizes the ordinance that the Board is responsible for enforcing is complicated and can be confusing to the public. The Commission also recognizes that this particular ordinance stirs the passions of the public because of its effect on both landlords and tenants and because it is an attempt to regulate the use of private property.

In conducting this review and in preparing this report, the Commission has attempted to avoid comment on the merits of this ordinance and whether it is good or bad for the residents of the City of Boston. That determination can only be made in another forum at another time if it is to be made at all.

It can be generally said, however, that the Board needs to make more of an effort to be accessible to those who use its services and to inform people of the rights and requirements embodied in the ordinance in a more simple and straightforward manner. Many times the actions of the Board seem arbitrary because of a lack of explicit criteria for decision making and because of inconsistency in the length of time involved in resolving cases.

The Commission's specific findings are:

1. The public is not treated with the respect it deserves and as a result there is a lack of trust in the process;
2. The Rent Control Ordinance is confusing to the public as are the lengthy regulations which are used to implement the Ordinance;
3. Staffing, organization, training of staff and salary levels need to be evaluated. The key positions of hearings officers and inspectors are poorly compensated especially in relationship to the responsibilities of the jobs;
4. The inadequacy of the Board's office space was a serious problem, it had a negative impact on the staff and projected a particularly bad image to the public. However, the recently completed office renovations are a significant improvement and should improve productivity as well as helping serve the public more efficiently.
5. The volume of transactions combined with the complexity of the process results in delays in the decision making process.

PUBLIC ACCESSIBILITY

The Commission is particularly concerned over the treatment of the public by staff persons. One of the first steps taken by the Finance Commission in its investigation was to send a staff member to a meeting of the Rent Equity Board. Before identifying himself as a FinCom staffer, he was harassed to the point at which the Board called in a police officer to remove him from a public meeting. On several occasions the Finance Commission received erroneous information concerning meeting times from Rent Equity Board employees. The public was not made welcome at board meetings and the environment of the office was contrary to the manner in which the law requires the public's business to be conducted.

The Commission questions the attitude of an agency that allows its staff to answer inquiries about the Rent Equity Ordinance by saying, "Copies of the Ordinance can be purchased at the City Clerk's Office."

The Board has routinely failed to post notices of its public meetings. On or about November 1, 1984, the Board submitted a notice to the City Clerk stating that the Board would meet on Thursdays at 2:30 p.m. beginning November 1, 1984. Since that time the City Clerk has only received notices of changes in meeting times. In fact, the City Clerk's office did not know the letter was in its file and therefore never posted it. In addition on January 17, 1989 the City Clerk received a notice stating that the next meeting would be January 19, 1989 at 2:00 p.m. and continuing on Thursdays at that time until further notice. Since that time the only notices submitted to the City Clerk have been time changes and cancellations. The only notices the City Clerk has posted have been these changes.

Massachusetts General Laws Chapter 39, Section 23B entitled: "Meetings of Governmental Bodies Procedures Enforcement" provides in pertinent part:

Except in an emergency, a notice of every meeting of any governmental body shall be filed with the clerk of the city or town in which the body acts, and the notice or a copy thereof shall, at least forty-eight hours, including Saturdays but not Sundays and legal holidays, prior to such meeting, be publicly posted in the office of such clerk or on the principal official bulletin board of such city or town....

The notice shall be printed in easily readable type and shall contain the date, time and place of such meeting. Such filing and posting shall be the responsibility of the officer calling such meeting.

According to personnel in the Boston City Clerk's Office the Rent

Equity Board is the only governmental body in the city which does not file specific meeting notices including the specific dates for each meeting.

RENTAL HOUSING EQUITY ORDINANCE

The ordinance was enacted as a result of a housing shortage in the City of Boston. It was determined by the Mayor and City Council that it was in the best interest of the City's residents to manage rental housing in the city. The jurisdiction of the Board covers all rental housing which existed before 1969, except for one and two unit buildings, 3 unit owner occupied buildings, certain rehabilitated larger buildings, and new construction. Currently some 23,000 units are under rent control, approximately 52,000 units are vacancy decontrolled and 20,000 federally subsidized units are regulated. The ordinance controls rents and evictions and the conversion of rental housing units to condominiums as of the effective date of the ordinance. The ordinance addresses the following matters:

Section 1: The definition section of the ordinance identifies the meaning of all terms addressed in the ordinance;

Section 2: Creates the Rent Equity Board;

Section 3: Provides for the registration of all controlled housing accommodations which is defined as, "any building, structure or part thereof of land appurtenant thereto, or any other real or personal property rented or offered for rent for living or dwelling purposes within the city...";

Section 4: Determines how the maximum rent for any controlled housing accomodation is set;

Section 5: Determines adjustments of maximum rents;

Section 6: Provides for rent grievances for decontrolled housing units;

Section 7: Provides for rent adjustment proceedings in controlled housing accomodations;

Section 8: Provides that landlords must supply information to the board in connection with rent adjustments;

Section 9: Sets forth eviction proceedings;

Section 10: Establishes procedures for evictions in units undergoing condominium and cooperative conversions;

Section 11: Requires that all policies, rules and regulations of the Board be on file with the City Clerk;

Section 12: Deals with special notation to be made by the Building, Assessing and Fire Departments in connection with suspicious fires;

Section 13: Addresses civil remedies;

Section 14: Addresses criminal penalties;

Section 15 through Section 20: Provide for judicial review, injunctions, effective date and duration of ordinance, constitutional construction, transitional provisions and recodification.

RENT EQUITY BOARD

The present Rent Equity Board was established by ordinance in 1984. The ordinance replaced a preceeding ordinance. Entitled, "Rental Housing Equity Ordinance", it is to remain in effect until December 31, 1994, or until a determination by the Mayor and City Council is made that a rental housing emergency no longer exists. In addition, the Rent Equity Board which was

established and is provided for by the ordinance has promulgated policies and adopted rules and regulations which describe the manner in which the ordinance is to be implemented. The Board employs staff assistance to enforce the ordinance.

The Board is comprised of five members appointed by the Mayor. They must be residents of the City. Two members are tenants of rental housing units and may own no dwelling units. One member must be a landlord who owns or manages a minimum of 20 rental units in the city. A fourth member is a smaller landlord who owns or manages between three and twenty units. The fifth member represents the public at large and shall have no prior advocacy involvement on behalf of either tenants or landlords. The present makeup of the Board is:

| | |
|-------------------|---|
| Tenant Members: | Agnes Porter Doris Thompson |
| Landlord Members: | Maurice Frye - 20+ units Stephen Graham - 3-20 units |
| Public Member: | David Passafaro |

David Passafaro is the Chairman of the Rent Equity Board. All five members were most recently appointed as of September 8, 1988. They are eligible to be compensated at the rate of \$15 per hour. All but Mr. Passafaro receive compensation. He is forgoing compensation by his choice. The members are special municipal employees for the purposes of M.G.L.A. c. 268A, the State Conflict of Interest Statute. The Board generally meets each week, normally on Thursdays at 2:00 p.m.

The Commission found that there have been a number of occasions where public meetings of the Board were not posted by the City Clerk as required by law. Members of the public were not able to easily access public meetings. They were often quizzed about both their identification and purpose for

attending. Following complaints by the Commission about this practice the Administrator of the Board, Ms. Constance Doty, issued a memo to all staff personnel apprising them of how to comply with the open meeting law, (Exhibit A).

The public meeting room used by the Board also presents a problem. It is located to the rear of the office and is not readily accessible. It does not provide an environment which makes it easy for the public to attend board meetings. The Board, by and large, ratifies the decisions made on the staff level. The Board depends heavily on its staff.

RULES AND REGULATIONS

In order to implement the ordinance the Rent Equity Board has established rules and regulations. The twenty-two regulations are longer than the ordinance itself. Attached as Exhibit B is a list of the regulations and the effective date of each. Some of the regulations are lengthy and detailed. For example, regulation nine, evictions, is forty-eight pages long. The purpose of this regulation is to establish the procedure for evicting tenants occupying controlled or decontrolled units. Regulation eleven, condominium/cooperative notice and evictions is 43 pages long. The regulation on vacancy decontrol is 23 pages long. Collectively the twenty-two regulations now in place are over 300 pages in length.

The regulations have been amended over time and are developed on the staff level. They undergo constant revision and updating with twelve of the twenty amended last year alone. Every matter that comes before the Board is covered by the ordinance and processed in accordance with the appropriate

regulation. There are similarities in terms of the procedural steps in many of the regulations. Once those steps are followed there is a provision, in certain of the regulations, for a hearing on the matter. All hearings are to be conducted in accordance with the provisions of M.G.L.A. c.30A, s.11, the State Administrative Procedures Act.

STAFFING

The budget for the Rent Equity Board in fiscal year 1990 is \$1,230,014 of which \$1,091,915 is allocated for salaries of permanent employees. A breakdown of the staffing levels and accompanying salaries appears as Exhibit C. The administration of the ordinance is handled by a staff of 38 full time people.

The Rent Equity Board's staff has a tremendous volume of work to perform. The number of contested cases brought before the board exceeds 3,500 annually. It processes over 1,500 applications for rent increases each year, 2,500 vacancy decontrol applications, over 500 eviction proceedings are handled and over 2,000 complaints are docketed for violations of the ordinance.

There are several areas within the department where staffing is a problem. The Board has only two people responsible for conducting inspections. Over 1,000 inspections are conducted on an annual basis. The inspectors are responsible for verifying information on applications and investigating complaints. The inspectors provide the agency with the only independent evaluation of conditions in housing units. Rent Board Administrator Constance Doty added a second inspector to the staff only after our inquiry began. The need for inspections is obvious and adequate staffing in this area is crucial to finalizing decisions.

The Board also has what is referred to as an ombudsman. This position should be an asset to the Board. However, in reality the job description is one of an information officer (see Exhibit D).

The Board has nine hearing officers, one of whom serves as the Chief Hearing Officer. The jobs are critical to the operation of the agency. The job requirements are attached as Exhibit E. The hearings officer is perhaps the most important staff position. Hearings on contested cases are particularly important. Although this may be the most important mid level position at the Board, it does not pay well. Seven hearings officers are paid \$27,036 annually and the senior hearings officer is paid \$29,726. The salary of hearing officers increased over \$4,000 this fiscal year but remain below comparable positions in other agencies.

One personnel situation is particularly troubling to the Commission. The Budget Office assigned a budget analyst to work in Rent Equity over four years ago at a salary of \$39,795. This individual has a legal case pending against the city and was assigned to the Rent Board with no duties. His salary exceeds that of all but a few departmental employees. There is no justification for allowing such a situation to continue for such a long period of time. It is made worse due to the work load, salaries and working conditions faced by the staff at the Rent Equity Board.

The Finance Commission took this issue up with Rent Board Administrator Doty, former City Budget Director Robert Ciolek and present Budget Director Barbara Gottschalk. As a result of our complaint a project has been assigned to the person in question, but it is essentially a make work project. The situation continues to be a serious morale problem.

SPACE NEEDS

The Rent Equity Board is housed on the seventh floor at Boston City Hall. It occupies approximately 4,750 square feet of space. The department also stores most of its records within that space which creates additional crowding. The Rent Board staff endured the worst working conditions in City Hall for years until recently. Its employees were crowded to the point where people had difficulty doing their jobs.

There is little room for the public and the space shortage makes it awkward to look up and review records of the Board. The waiting area is inadequate. Until recently the office shared an entryway with the Office of Neighborhood Services which created confusion and crowding when entering the reception area. Tenants and landlords awaiting either hearings or board meetings do not have sufficient room to wait and must either stand around out in the corridor or be crowded into the small waiting area. There is minimal room for privacy in the office. There are occasions when matters coming before the agency on behalf of tenants and/or landlords are of a sensitive nature yet are discussed in the middle of the office.

The Finance Commission asked the City's Real Property Department, the agency responsible for allocating space in City Hall, to find better space or add on to the present space to alleviate the overcrowding. The Real Property Department has known about this problem for years. At the urging of the Finance Commission, the space needs were reviewed by the Real Property Department. The Commission suggested that one solution would be for the Rent Board to take some of the space of the Public Works Department, located adjacent to it. (PWD has plenty of room, some of it open and unused). The

Rent Board space has been recently renovated to include a new and modern filing system and new work stations. There is a significant improvement of working conditions. There will also be a new hearing room built in space currently used by PWD. Combined, these changes have greatly improved the working conditions.

CASES REVIEWED

The Finance Commission has randomly reviewed selected cases covering various areas of Rent Equity Board activity.

Seventeen exemption cases were reviewed. The majority of this type of case covers owner occupied 3 unit buildings. For the most part the Rent Equity Board grants this exemption provided that the owner can prove his occupancy. Based on case reviews it takes an average of six months from application to approval for this type of exemption.

The second most frequent request is for substantially rehabilitated units. One of the cases reviewed was the rehabilitation of a three unit building which was performed over the period late 1985 through early 1988. The case itself took five months from application to approval. The application was detailed including architectural drawings and detailed expenditure receipts.

In regards to registration, the Rent Equity Board may require registration of all housing accommodations in Boston. However there are six types of accommodations which are not required to register. The largest number of these units are controlled by the Boston Housing Authority.

Based upon case reviews the majority of new registrations are for buildings being sold. These buildings were previously owner occupied for many years and not previously registered.

In regards to evictions, the Rent Equity Ordinance provides that a landlord must apply for an Eviction Certificate prior to carrying out an eviction process. The purpose of the regulation is to establish procedures in cases where just cause for an eviction exists. The most common ground for eviction is non-payment of rent. In two of the cases reviewed by the Finance Commission, the non-payment was for 13 months and 18 1/2 months respectively totalling thousands of dollars. In both of these cases, the landlord did not file for the eviction certificate until the rent arrears were substantial. In the first case, the time from application to the granting of an eviction certificate was five months. However 3 1/2 months of that time was attributable to requests of the landlord and six weeks were due to Rent Board delays. In the second case, the time period from submission of the application to granting of the eviction certificate was six weeks.

In regards to Rent Grievances, all elderly, handicapped, low or moderate income tenants of decontrolled housing may petition the Board for a downward adjustment of the rent if the landlord has increased the rent by a percentage in excess of the percentage increase in the consumer price index for the immediately preceding twelve month period. Additionally all other tenants in decontrolled units can petition the Board for a downward adjustment if the increase is in excess of 12.5% in a one year period.

The Rent Equity Board has changed the manner in which these cases are handled. At the present time the majority of cases are handled administratively and only those cases where the landlord challenges the petition is a hearing scheduled.

In regards to Condominium and Cooperative conversions, the Rent Equity Ordinance permits owners of buildings to convert rental units currently under rent control or under vacancy decontrol into condominium or cooperative units.

The owner must apply to the Rent Equity Board for Condo/Coop Eviction packages for the building's tenants. The package contains information on tenants' rights and options. It also includes application forms for tenants to seek one or three year eviction notices or a complete eviction ban. During calendar year 1988, 109 conversion applications were filed, covering 373 units.

In regards to Vacancy Decontrol, building owners may apply for vacancy decontrol of rent controlled units when the units are voluntarily vacated. Units that become vacant can be decontrolled from rent and eviction controls if the legal occupant left voluntarily or pursuant to court order and if all regulations are met. In 1988, there were 2481 petitions for vacancy decontrol of units. At present there are 51,295 vacancy decontrolled units in the city. Most cases are relatively routine with greater than 60% processed expeditiously and without being contested.

In one such case, a tenant affidavit stated that the tenant moved to another state but the hearing officer learned that the tenant was unaware that the unit was under rent control. According to the case file, the hearing officer concluded without any first hand evidence that if the tenant knew the unit was under rent control the tenant would not have moved. Therefore, the vacancy decontrol application was denied.

The case review in general indicates that each case is very different. Every tenant and landlord have individual issues to be addressed. The time a case takes to reach a final conclusion appears to be excessive. The delays only tend to exacerbate the public perception of the Rent Equity Board.

In order to reduce delays the department has recently instituted a caseload tracking system. It is to be used as a management tool to speed up the process and reduce the number of cases that take an excessive amount of time to be concluded.

RECOMMENDATIONS

In conclusion, the Finance Commission presents the following recommendations based upon our investigative findings:

1. Rent Equity Board meetings should be held in a publicly accessible location. The notices of all meetings should conform to Chapter 39, section 23B of the Massachusetts General Laws.

2. All regulations should be reviewed with a view to simplifying and clarifying them and making them more understandable to the public.

3. The position of ombudsman as currently used by the Rent Equity Board should be changed. A true ombudsman is an appointed person who investigates activities of government agencies that may infringe on the rights of individuals.

We recommend that the Ombudsman position be independent of the Rent Equity Board staff. The person should report directly to the Rent Equity Board. The location of the person and the salary should be commensurate to a person who will be acting independently. The duties should include investigation of complaints, resolving grievances and acting as a moderator for landlords and tenants.

4. The entire Rent Equity Board staffing organization, salary levels and staff training should be reevaluated with a goal of better efficiency.

5. The personnel situation concerning the Budget analyst assigned to Rent Equity at essentially a "no work" job must be immediately resolved. He should be reassigned back to the Budget Office and be given duties commensurate with the job for which he is being paid.

Even though improvements have been made in the office and operation of the Rent Equity Board as a result of our investigation, it is the opinion of the Finance Commission that the implementation of our recommendations will greatly improve the operation of the Rent Equity Board. The Commission also notes that the Administrator of the Board, Ms. Constance Doty and her Deputy, Mr. Mark Snyder have been cooperative throughout this inquiry.

M E M O R A N D U M

TO: ALL STAFF

FROM: CONNY DOTY

DATE: 28 April 1988

SUBJ: Public Attendance at Board Meetings

This memo is to remind you that all Board meetings are public and that any member of the public may attend the meeting. No one needs to make an appointment or any other arrangement to attend.

If someone comes to the agency to attend a Board meeting, please let Marie Ricco know so that when the meeting begins she can get them and they won't miss any part of the meeting. If someone calls ahead of time, they should simply be told that Board meetings are open to the public and the Board generally meets on Thursday afternoons at 2:30 p.m. You might suggest that they may call back on Thursday morning to confirm that the Board in fact will be meeting that day and will not be inconvenienced if for some reason the Board does not meet.

Do not in any way, by tone of voice, or words, indicate that the public is not welcome to attend Board meetings. Please be welcoming and provide any information that they seek. If you do not have an answer to a question about Board meetings, please ask a supervisor, Marie, Mark or myself.

EXHIBIT B

Rent Equity Board Regulations

- Reg #1 Maximum Rent Regulation (9/25/86)
Controlled Housing Accomodations
- Reg #2 Registration (6/19/86)
- Reg #3 Landlord Petition for Adjustment (12/13/84)
- Reg #4 Tenant Petitions for Adjustment (12/13/84)
- Reg #5 Hearings on Maximum Rent Adjustments (12/13/84)
- Reg #6 Fair Net Operating Income Defined; Standards for Adjustment of
Maximum Rents During 1984 (12/13/84)
- Reg #7 Jurisdiction of Exemption Procedure (2/11/88)
- Reg #8 Vacancy Decontrol Rent Grievance Regulations (1/7/88)
- Reg #9 Evictions (11/17/88)
- Reg #10 Vacancy Decontrol and other Decontrolled Units (5/25/89)
- Reg #11 Condominium/Cooperative Notice and Eviction Regulation (10/22/87)
- Reg #12 1987 Mandatory General Rent adjustment (4/24/87) expired 5/31/88
- Reg #13 Rounding Off Rent Adjustments to the Nearest Dollar (12/13/85)
- Reg #14 Condo Conversion (void-determined to be unconstitutional)
- Reg #15 1986 Mandatory General Adjustment - expired 5/31/87
- Reg #16 Adjudicatory Hearings (10/2/86)
- Reg #17 Permits for Removal/Conversion of Housing Accomodations in
Lodging and Rooming Houses (11/17/88)
- Reg #18 Permits for Removal of Mobile Home. (11/17/88)
Accomodations in Mobile Home Parks
- Reg #19 1988 Mandatory General Adjustment (4/28/88) expired 5/31/89
- Reg #20 Permits for Removal of Housing Accomodations (11/17/88)
- Reg #21 1988 Discretionary General Adjustment (11/17/88)
- Reg #23 1989 General Adjustment (4/13/89)
- () effective date

EXHIBIT C

RENT EQUITY BOARD
Departmental Personnel
Fiscal Year 1990

| Budgeted Positions | Budgeted Salary | Positions Filled | Actual Position Salary |
|------------------------------------|--------------------|------------------|------------------------|
| 5 Board Members | \$11,700 | 5 | \$15/hr |
| 1 Senior Aide | 12,455 | 1 | 11,685 |
| 1 Administrator | 53,520 | 1 | 53,519 |
| 1 Deputy Director | 49,411 | 1 | 49,411 |
| 1 Asst. Dep. Administrator | 41,968 | 1 | 41,968 |
| 1 Asst. Dep. Director | 38,735 | 1 | 38,162 |
| 1 Legal Counsel | 41,968 | 1 | 41,968 |
| 4 Legal Assistants | 35,509/each | 3 | 34,278/each |
| 1 Ombudsman | 31,657 | 1 | 31,657 |
| 1 Registrar | 20,290 | 1 | 22,368 |
| 1 Chief Hearing Officer | 31,700 | 1 | 31,700 |
| 1 Info Systems Mgr. | 31,700 | 1 | 31,700 |
| 1 Personnel Manager | 31,544 | 1 | 31,657 |
| 1 Records Manager | 30,077 | 1 | 30,190 |
| 1 Keeper of the Files | 25,925 | 1 | 25,925 |
| 1 Sr. Hearing Officer | 30,503 | 1 | 29,726 |
| 1 Adm. Assistant | 32,152 | 1 | 32,152 |
| 6 Hearing Officers | 27,563/each | 7 | 27,036/each |
| 2 Asst. Comp. Officers | 23,891/each | 2 | 23,565/each |
| 1 Legal Secretary | 25,410 | 1 | 28,582 |
| 2 Head Clerk | 22,012/each | 3 | 22,322/each |
| 1 Senior Inspector | 25,992 | 1 | 25,410 |
| 1 Inspector | 23,493 | 1 | 23,493 |
| 1 Principal Clerk | 18,265 | 2 | 21,303/each |
| 2 Hearing Off. Asst. | 19,073/each | 1 | 20,885 |
| 1 Data Entry Operator | 16,902 | 1 | 16,506 |
| 1 Receptionist | <u>20,082</u> | <u>1</u> | <u>17,166</u> |
| 42 Annual Total | \$1,082,815 | 43 | \$1,084,618 |
| Plus additional compensation items | <u>9,100</u> | | |
| Total Permanent Employees | <u>\$1,091,915</u> | | |
| Annual Emergency Total | \$40,000 | | |
| Overtime Budget | \$5,000 | | |

Note 1: At the present time only 4 Board Members receive pay. The Chairman has decided to serve without compensation.

Note 2: Board Members are paid at the rate of \$15 per hour. They are budgeted at \$11,700. Due to the part time nature of the position an amount is not presented as an actual position salary and nothing is added into the total actual position salary of \$1,084,618.

Note 3: Interns have been used in the past and are paid as emergency employees.

EMPLOYMENT OPPORTUNITY

Please print

Posting Date: SEP 10 1986
Closing Date: SEP 16 1986

POSITION TITLE — (use municlass code if appropriate)

Posting No.

RENT EQUITY OMBUDSMAN MO-4

3-5178

BRIEF JOB DESCRIPTION — (see instruction reverse side)

Reports directly to Assistant Deputy Administrator for Client Services. Supervises Keeper of the Files, Receptionist, Senior Clerks, and any other future personnel assigned to the Client Services Division whose job includes providing public assistance and information about the Rent Equity Ordinance and Regulations. Responsible for responding to, and supervising the response to, all public inquiries: in person; in writing; and, by telephone; on a daily basis. Responsible for writing informational materials on an on-going basis to insure correctness and clarity. CONT...

QUALIFICATIONS — (see instruction reverse side)

Four years of experience in customer service and/or public information. A minimum of one year of supervisory experience required. Excellent writing and verbal skills essential. Writing samples and examples of past work will be requested.

DEPT. NAME

DEPT. ADDRESS

Boston Rent Equity Board

Boston City Hall, Room 709

Name and Location of Employment Site if Different From Above:

Pay and hours per week

SUBMIT APPLICATIONS TO:

\$366.35 \$470.45

RECRUITMENT SECTION
ADMIN. SERVICE DEPT.
PERSONNEL DIVISION
BOSTON CITY HALL

PHONE NUMBER: 725-3370

RB247

Signature of Appointing Authority or Designee:

Approved Deputy Director Personnel:

Date:

ALL APPLICANTS MEETING MINIMUM ENTRANCE REQUIREMENTS WILL BE CONSIDERED FOR THIS VACANCY

RENT EQUITY OMBUDSMAN

3-5178

SEP 10 1986

SEP 10 1986

Responsible for assuring quality and correctness of written and verbal communication to the public, by supervised employees.

9-6-8
 POSTING DATE:
 CLOSING DATE: 9-12-8

POSITION TITLE --(use municlass code if appropriate)

Posting No.

HEARING OFFICER (R-14) ^{ONE} POSITION

JH 3100

BRIEF JOB DESCRIPTION: Reports to the Assistant Deputy Administrator of the Hearings Section. Conducts public hearings on matters before the Rent Equity Board concerning rents, evictions, and vacancy decontrol. Assists the public with filling out forms and answers questions with regard to agency regulations, guidelines and procedures. Is required to perform various calculations. Presents cases to the Board for decisions and, when needed, assists the Assistant Deputy Administrator with special projects.

QUALIFICATIONS: All educational and work experience will be considered. Candidates preferred who have prior training or experience in; administrative, real estate, and regulatory law and are capable of dealing with adversarial proceedings while adhering to strict regulatory requirements. Must be capable of making accurate hearing records plus fair and equitable recommendations to the Board in compliance with Board approved regulations and procedures. Must possess strong communication skills.

DEPARTMENT NAME:

DEPARTMENT ADDRESS:

RENT EQUITY BOARD

BOSTON CITY HALL, ROOM 709

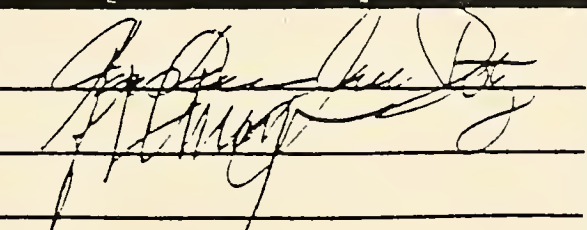
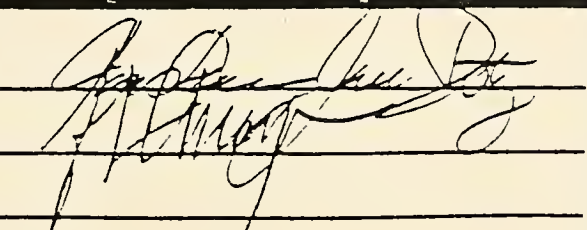
Name and Location of Employment Site if Different from above

Pay and hours per week

SUBMIT APPLICATIONS TO:

392.20 - 506.20 (35 hours per week)
 RECRUITMENT SECTION
 OFFICE OF PERSONNEL MANAGEMENT
 ROOM 612
 BOSTON CITY HALL

Phone Number - 725-3370

Signature of Appointing Authority or Designee: Approved Director of Personnel: Date: 

ALL APPLICANTS MEETING MINIMUM ENTRANCE
 REQUIREMENTS WILL BE CONSIDERED FOR THIS VACANCY

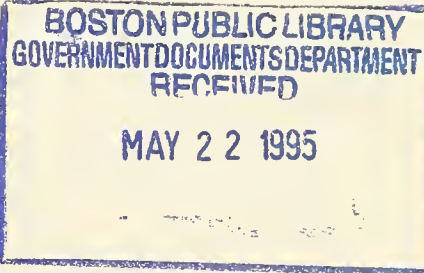
9-12-8

GOVDOC



CITY OF BOSTON
FINANCE COMMISSION

294 WASHINGTON STREET
SUITE 817
BOSTON, MA. 02108
TEL. 482-9706



MB/BIG
FC
90/1

n, Esq., Chairman
gins
Dennis A. Quilty, Esq.
Tyra B. Sidberry
Neal J. Curtin, Esq.

Jeffrey W. Conley
Executive Director

August 13, 1990

POLICE DEPARTMENT STAFFING AND DEPLOYMENT

INTRODUCTION

The Finance Commission issued a report in January, 1986 titled The Deployment Plan of the Boston Police Department and Attendant Management Problems. The Commission has recently revisited some of the problems and concerns identified in its previous report.

Police Department staffing levels have improved. There are 2,007 police officers in the City as compared to 1,804 in January of 1986. The number of sergeants has increased. There is greater coverage in Area B, Roxbury than before. Although more needs to be done, front line supervision has also been upgraded in recent years.

Despite these gains, there are still areas where the Police Department has not improved its efficiency. This is particularly true in the area of personnel management and the ability of the Department to fill funded positions for police officers.

POLICE STAFFING

The City of Boston has a budget for the current fiscal year which provides for 2,083 police officers. Presently there are 2,007 officers on the payroll and the department will not reach the funded quota at any time during the year. At the time of our previous report the city funded 1,891 positions of which 1,804 were filled. Thus there are 203 more police officers employed now than in January, 1986. The attached chart identifies the number of officers and the assignment of those officers in each of the past three years.

Despite the increases in personnel, the department continually has problems maintaining uniformed strength. Police Commissioner Francis Roache believes that the funded quota of 2,083 positions is sufficient to provide for the public safety needs of the City. However, if recent experience is any guide, it is unlikely that that number will be available.

Police Department staffing levels require a close examination. The present years budget provides for 2,083 positions which includes superior officers, detectives and patrolmen. As of July 31, 1990 there were 2,007 positions filled. The following is a breakdown of those positions:

| | |
|-----------------------|--------------|
| Commissioner | 1 |
| Superintendent | 4 |
| Deputy Superintendent | 15 |
| Captain | 21 |
| Captain Detective | 2 |
| Lieutenant | 26 |
| Lieutenant Detective | 14 |
| Sergeant | 149 |
| Sergeant Detective | 61 |
| Detective | 266 |
| Patrolmen | <u>1,448</u> |
| | 2,007 |

However, of the 2,007 officers currently on Police Department payrolls, many are not working or are working light duty. There are 110 officers out on either a medically sick or injured status, 8 are suspended or on a leave of absence and well over 100 are on light duty status or performing jobs that could be performed by civilians. There are officers who work as secretaries, auto maintenance workers, computer technicians, budget analysts, personnel employees, etc. thus the number actually working as police officers is well below the 2,083 budgeted positions and the 2,007 on the payroll.

The hiring process for police officers is time consuming and the City is required to go through a lengthy civil service process before any officers are

appointed and sent through the Police Academy. Although this same process exists for other cities and towns in the Commonwealth, it is far more problematic for the City of Boston due to the size of its police force, the largest in New England. The system by which the City must hire officers simply cannot keep up with the demand.

The following identifies the funded quota of uniformed positions and those filled for the past few years:

| | <u>Budgeted Quota</u> | <u>Filled</u> |
|------|-----------------------|---------------|
| 1986 | 1,891 | 1,804 |
| 1987 | 2,022 | 1,882 |
| 1988 | 2,343 | 1,955 |
| 1989 | 2,183 | 1,994 |
| 1990 | 2,084 | 2,018 |
| 1991 | 2,083 | 2,007 |

The budgeted quota is that approved through the city budget process. The number of filled positions are those which appear on the payroll as of March 1st of the Fiscal Year. The FY 1991 figure is as of July 31, 1990.

AREA B

In its previous report the Finance Commission was critical of the allocation of police resources in Area B, Boston's busiest police district. The deployment plan in place at that time called for the highest number of police officers to be assigned to Area B. But that was not the case. Both Areas A, Downtown, and D, the South End area to Allston-Brighton, had more officers. As a result, Area B did the poorest job complying with the city-wide deployment plan. It had the fewest number of superior officers assigned and oftentimes it had only 1 patrol supervisor on a shift. It suffered from an inadequate fleet maintenance program and on many shifts there were not enough cars for officers to use.

This has now been changed. Area B has more officers than any other district, 315, an increase of 93 officers in the past five years. Area B also benefits from several of the specialty units, such as the anti-gang violence unit, assigned to work in the Area. Its supervision has been improved. It now has 33 superior officers of which 21 are sergeants. Fleet maintenance city-wide has been improved and all districts, including Area B, have benefitted. Combined, these factors have resulted in much more police coverage in the Area and quicker response time on calls for service.

Area B Staffing

| <u>January 1986</u> | <u>July 1990</u> |
|----------------------|-----------------------|
| 1 Deputy Supt. | 1 Deputy Supt. |
| 4 Lieutenants | 3 Captains |
| 11 Sergeants | 1 Lt. Detective |
| 1 Detective Sergeant | 3 Lieutenants |
| 19 Detectives | 21 Sergeants |
| 186 Patrolmen | 4 Sergeant Detectives |
| | 31 Detectives |
| | <u>251</u> Patrolmen |
| <u>222</u> | 315 |

Although staffing has increased, the Commission would like to see more supervision in Area B, particularly the addition of several sergeants and lieutenants.

PERSONNEL MANAGEMENT

In its earlier report, the Commission was critical of the lack of personnel management in the Police Department. The Commission made the following findings:

-- There was a failure to maintain a comprehensive personnel system accurately identifying the assignment of every sworn police officer;

-- There was a problem concerning medically incapacitated officers which resulted in an average of over 100 officers regularly unavailable for duty;

-- There was no managing attendance program;

-- There were too many police officers performing work that could be performed by civilians.

These problems remain and the result is that the number of sworn police officers available for duty is misleading. Of the 2,007 officers appearing on the payroll, 110 are in either a medically incapacitated sick or injured status. Officers in such a status have been removed from their regular payroll and many have been unable to work for years. The Commission identified 159 police officers in its 1986 report who were working in jobs that could have been performed by civilians. That situation is relatively unchanged today. The combination of medically incapacitated sick and injured officers and those with jobs that could be performed by civilians account for over 250 positions. In addition, the lack of an effective managing attendance program further reduces the daily strength.

There is no integrated payroll personnel system. The department would benefit from a concise yet comprehensive computerized personnel system which identified the location and duty of every officer. Officers do not necessarily work at the location or assignment on which they appear on the payroll. Five years ago that was a significant problem. It has been cut down substantially but there is still a problem of officers being detailed out. An accurate and up to date personnel system would allow for a better understanding of where the resources are and would provide the department with a valuable management tool.

Presently there is not sufficient accountability in the system. There are 24 Police Department payrolls which are signed and verified by people who are not

personally aware of the assignment and working status of every person on the payroll. Despite that, they certify under the pains and penalties of perjury that all payroll data is accurate.

The Commission previously reported that the medically incapacitated payrolls of the Police Department were poorly managed. An average of over 100 officers weekly appeared on the combined payrolls and there was no process in place insuring that officers on those payrolls were, in fact, sick or injured to the extent that they could not work. As a result, the department put some emphasis on managing that problem. The effort was headed up by a Police Captain and the payrolls were reduced to an average of about 70 officers weekly. Unfortunately, resources have been withdrawn from that effort and the numbers of medically incapacitated, sick and injured officers was up to 110 police officers as of July 31, 1990.

The Commission also previously reported that the Police Department had a poor record managing time and attendance. It used an archaic manual personnel system and kept poor and often inaccurate records on time and attendance. As a result, the department made some changes that almost immediately reduced the number of sick days taken by police officers. It had a computer based attendance system written and implemented and assigned sufficient staff to manage it. Again, however, the Police Department has failed to continue to effectively manage that system. It has recently cut back on its support staff and presently the system is not up to date. Not only does this lack of oversight lead to more sick days being used but the lack of integrity of the system allows officers to be paid even when they have exhausted their sick time.

The Commission identified 159 light duty positions in its previous report and recommended every position filled by a sworn police officer be reviewed. It was the opinion of the Commission that many positions could be filled by civilians thereby having more officers available where they are needed the most. Very little

has been done to change this situation and most of the positions previously identified remain filled by sworn police officers. Light duty positions are now formally recognized contractually accounting for over 60 positions. But the rest accommodate people for various reasons and should be reevaluated.

It is incumbent on the City to institute and implement an effective personnel system in the Police Department. A managing attendance program has to be reinstated, the medical rolls monitored and the department should be required, like any other department, to maintain a payroll system which accurately identifies the assignment of police officers and their attendance.

DEPLOYMENT PLAN

Five years ago Commissioner Roache explained to the Commission that there was a need to fully implement a neighborhood based deployment plan. Commissioner Roache intended to assign officers to a particular sector, have them become familiar with it and then be responsible for what went on in their assigned area. The intent of the plan was to continue to stress priority calls, those which threatened the safety of the public, and also to improve the response to all other calls for service.

The department has always stressed priority one calls and is doing an improved job. Response time is significantly better, averaging 7 minutes per call as opposed to 11 minutes several years ago. This past June response time in one of the Area B stations was down to 6 minutes.

The formal plan with full sector integrity is still only on the drawing board. It does not take into account seasonal variations in the need for service. But evening shifts, especially on weekends and in the summer have been prioritized. It is likely that the deployment plan will not be fully implemented until

the new 911 system is in place along with the full utilization of uniformed police officers.

CONCLUSION

The Finance Commission is both pleased and disappointed at the progress of the department. The additional officers were greatly needed and many of them were assigned where they were needed the most, Area B. There are more officers, more superior officers, more specialized units and better support for Area B. The Commission also finds that the continued commitment of responding to priority one calls for service is effective and improving.

But problems remain. We continue to be troubled that funded positions go unfilled. This year only one recruit class is expected to graduate from the academy. It is likely that the uniformed strength of the department will decrease as the year progresses and by next spring will be under 2000 officers.

It is time that modern personnel management comes to the Police Department. It should be treated as all other departments in terms of managing attendance. Every effort must be made to insure that officers are on the job. The police payroll should be incorporated into the integrated payroll personnel system required of most departments.

The department also needs to evaluate light duty jobs and jobs filled by uniformed police officers that could be done by civilians. Not only do such jobs reduce actual strength but some jobs financially reward officers through specialty ratings who do not work as police officers.

One of the most commonly asked questions about police coverage in the City of Boston is how many police officers are needed to meet public safety requirements. Commissioner Roache was asked this question repeatedly and in many different ways

during the recent budget deliberations. He responded that the authorized strength, which is 2,083 police officers, is a sufficient commitment and will meet the public safety needs of the City. The Finance Commission accepts the professional opinion of the Commissioner. However, despite gains in recent years and a better commitment in areas that need it, Boston does not have nor will it have 2,083 officers available. Every effort must be made to meet that goal and to maximize and fully utilize police resources in the City of Boston.

POLICE DEPARTMENT STAFFING

| | 7/31/90 | 3/7/89 | 3/1/88 |
|-----------------|---------------------|-----------------|------------------|
| District A | | | |
| Superintendent | 1 | 0 | 0 |
| Deputy Supt. | 1 | 1 | 1 |
| Captain | 2 | 2 | 1 |
| Lieutenant | 5 | 7 | 5 |
| Lt. Detective | 2 | 2 | 0 |
| Sergeant | 19 | 24 | 20 (1 LOA/susp) |
| Sgt. Detective | 4 | 5 | 5 |
| Detectives | 24 | 26 | 36 |
| Police Officers | 224 | 206 | 213 |
| | <u>282</u> | <u>273</u> | <u>281</u> |
| District B | | | |
| Deputy Supt. | 1 | 1 | 1 |
| Captain | 3 | 3 | 1 |
| Lieutenant | 3 | 4 | 1 |
| Lt. Detective | 1 | 1 | 1 |
| Sergeant | 21 | 23 | 15 |
| Sgt. Det. | 4 | 4 | 1 |
| Detective | 31 | 24 | 27 |
| Police Officers | 251 (1 on LOA/susp) | 244 | 212 |
| | <u>315</u> | <u>304</u> | <u>259</u> |
| District C | | | |
| Deputy Supt. | 1 | 2 | 1 |
| Captain | 2 | 2 | 3 |
| Lieutenant | 6 | 3 | 0 |
| Lt. Detective | 2 | 1 | 1 |
| Sergeant | 16 | 12 | 15 |
| Sgt. Detective | 2 | 6 | 2 |
| Detective | 23 | 18 | 17 |
| Police Officers | 190 | 179(1 LOA/susp) | 173 (1 LOA/susp) |
| | <u>242</u> | <u>223</u> | <u>212</u> |
| District D | | | |
| Deputy Supt. | 1 | 1 | 1 |
| Captain | 3 | 3 | 3 |
| Lieutenant | 2 | 6 | 2 |
| Lt. Detective | 1 | 0 | 0 |
| Sergeant | 20 | 24 | 22 |
| Sgt. Detective | 4 | 3 | 2 |
| Detective | 24 | 21 | 25 |
| Police Officers | 208 | 198(2 LOA/susp) | 203 (1 LOA/susp) |
| | <u>263</u> | <u>256</u> | <u>258</u> |

7/31/90

3/7/89

3/1/88

District E

| | | | |
|-----------------|------------------|------------------|------------------|
| Deputy Supt. | 1 | 1 | 1 |
| Captain | 2 | 2 | 2 |
| Lieutenant | 4 | 3 | 2 |
| Sgt. Detective | 3 | 2 | 2 |
| Sergeant | 18 | 18 | 15 |
| Detectives | 20 | 17 (1 LOA/susp) | 23 |
| Police Officers | 160 (1 LOA/susp) | 148 (1 LOA/susp) | 158 (1 LOA/susp) |

208191203

Investigation Bureau

| | | | |
|-----------------|-----|-----|-----|
| Superintendent | 1 | 1 | 1 |
| Deputy Supt. | 3 | 3 | 1 |
| Capt. Det. | 1 | 1 | 0 |
| Captain | 0 | 0 | 2 |
| Lieutenant | 0 | 0 | 1 |
| Lt. Detective | 6 | 7 | 10 |
| Sergeant | 2 | 1 | 0 |
| Sgt. Det. | 24 | 23 | 30 |
| Detective | 105 | 103 | 101 |
| Police Officers | 24 | 31 | 41 |

166170187

Technical Services

| | | | |
|-----------------|-------------------|---------------|----|
| Capt. Det. | 1 | 1 | 1 |
| Lieutenant | 1 | 0 | 0 |
| Sergeant | 4 | 2 | 3 |
| Sgt. Det. | 4 (1 on LOA/susp) | 3(1 LOA/susp) | 3 |
| Detective | 6 | 6 | 5 |
| Police Officers | 20 | 13 | 18 |

362530

Special Operations

| | | | |
|-----------------|----|----|--|
| Superintendent | 1 | 1 | |
| Sergeant | 3 | 4 | |
| Sgt. Detective | 3 | 3 | |
| Detective | 10 | 12 | |
| Police Officers | 5 | 5 | |

22250

Mounted Operations

| | | | |
|-----------------|----|----|---|
| Sergeant | 1 | 1 | 2 |
| Detective | 1 | 0 | 0 |
| Police Officers | 14 | 12 | 3 |

16135

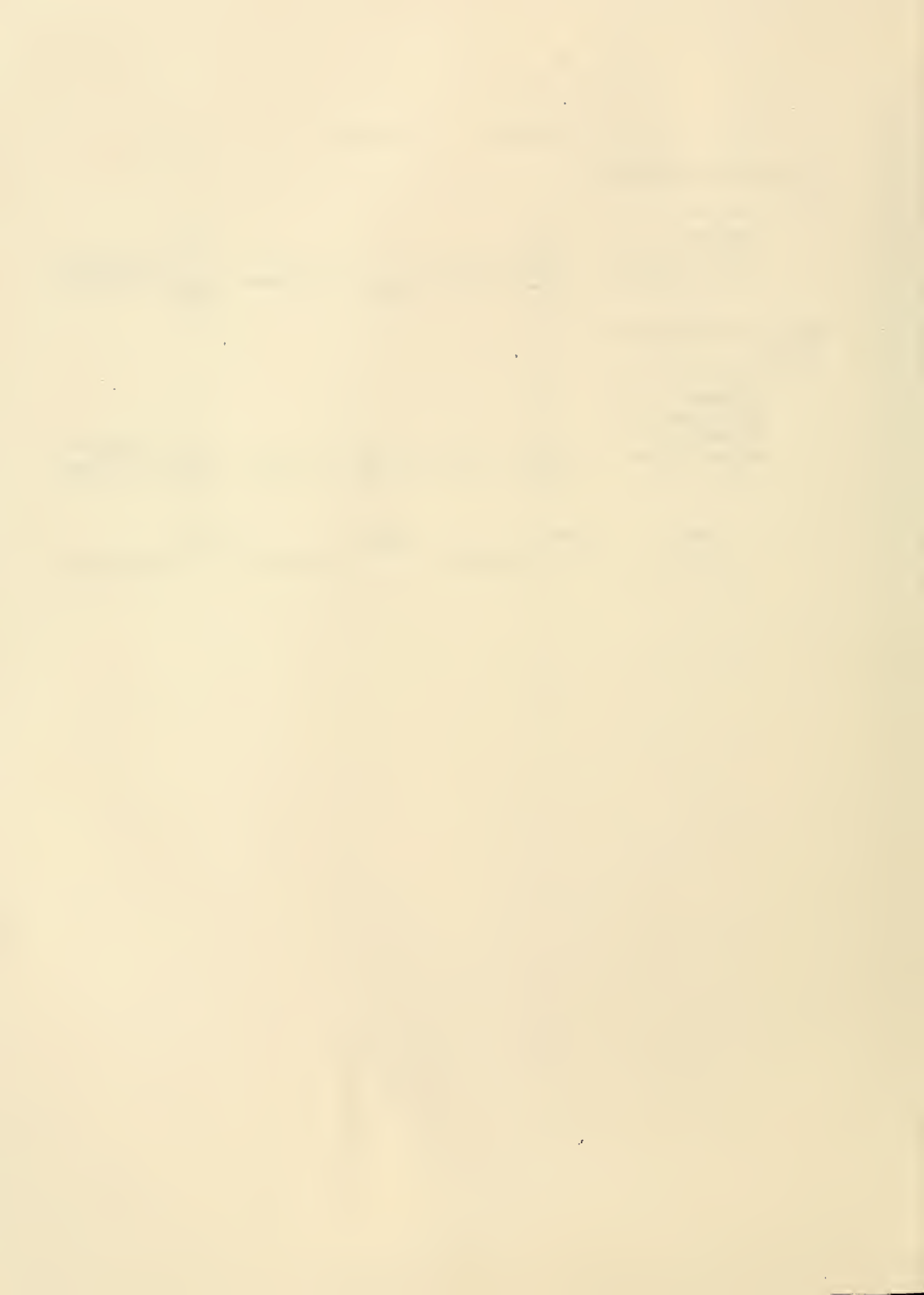
| | 7/31/90 | 3/7/89 | 3/1/88 |
|-------------------------|---------------------------|--------------|----------------|
| Mobile Operations | | | |
| Dep. Supt. | 1 | 1 | 1 |
| Captain | 1 | 1 | 0 |
| Lieutenant | 1 | 1 | 1 |
| Sergeant | 8 | 12 | 9 |
| Police Officers | <u>72</u> | <u>66</u> | <u>44</u> |
| | 83 | 81 | 55 |
| Harbor Operations | | | |
| Police Officers | 9 | 20 | 45 |
| Sergeant | 1 | 1 | 2 |
| Sgt. Det. | <u>0</u> | <u>1</u> | <u>0</u> |
| | 10 | 22 | 47 |
| Team Police | | | |
| Deputy Supt. | 1 | 1 | 1 |
| Captain | 0 | 1 | 1 |
| Sergeant | 4 | 5 | 3 |
| Detective | 2 | 2 | 0 |
| Police Officers | <u>40</u> | <u>45</u> | <u>39</u> |
| | 47 | 54 | 44 |
| Police Adacemy | | | |
| Captain | 1 | 1 | 1 |
| Lieutenant | 2 | 0 | 0 |
| Sergeant | 4 | 4 | 4 |
| Sgt. Det. | 0 | 1 | 2 |
| Detectives | 0 | 0 | 3 |
| Police Officers | <u>15 (1 on LOA/susp)</u> | <u>15</u> | <u>27</u> |
| | 22 | 21 | 37 |
| Recruit Class #1 | | | |
| Police Officer | 0 | 83 | 6(1 LOA/susp) |
| Recruit Class #2 | | | |
| Police Officer | 0 | 1 | 0 |
| Recruit Class #3 | | | |
| Police Officer | 1 (on LOA/susp) | 1 (Loa/susp) | 7(7 LOA/susp) |
| Recruit Class #4 | | | |
| Police Officer | 0 | 0 | 70(5 LOA/susp) |
| Administrative Services | | | |
| Captain | 1 | 2 | 2 |
| Sergeant | 1 | 3 | 4 |
| Police Officers | <u>15</u> | <u>22</u> | <u>20</u> |
| | 17 | 27 | 26 |
| Personnel | | | |
| Captain | 1 | 1 | 1 |
| Sergeant | 0 | 1 | 1 |
| Sgt. Detective | 1 | 0 | 0 |
| Police Officers | 3 | 8 | 2 |
| Detective | <u>3</u> | <u>4</u> | <u>3</u> |
| | 8 | 14 | 7 |

| | 7/31/90 | 3/7/89 | 3/1/88 |
|-------------------------|-----------|------------------------|------------------------|
| Bureau Field Services | | | |
| Superintendent | 1 | 1 | 1 |
| Dep. Supt. | 2 | 3 | 3 |
| Captain | 3 | 2 | 1 |
| Lieutenant | 1 | 2 | 3 |
| Sergeant | 11 | 14 | 11 |
| Detective | 2 | 2 | 2 |
| Police Officers | <u>58</u> | <u>69</u> (1 LOA/susp) | <u>46</u> (2 LOA/susp) |
| | 78 | 93 | 67 |
| Administration | | | |
| Commissioner | 1 | 1 | 1 |
| Management | | | |
| Superintendent | 0 | 0 | 2 |
| Dep. Supt. | 0 | 0 | 1 |
| Sgt. Det. | 3 | 3 | 5 |
| Sergeant | 0 | 0 | 4 |
| Detectives | 1 | 0 | 13 |
| Police Officers | <u>3</u> | <u>3</u> | <u>16</u> |
| | 7 | 6 | 41 |
| Auto Maintenance | | | |
| Lt. Detective | 0 | 0 | 1 |
| Sgt. Detective | 1 | 1 | 0 |
| Detective | <u>1</u> | <u>1</u> | <u>1</u> |
| | 2 | 2 | 2 |
| Comm. Maintenance | | | |
| Police Officers | 6 | 6 | 5 |
| Sergeant | <u>0</u> | <u>1</u> | <u>2</u> |
| | 6 | 7 | 7 |
| Professional Standards | | | |
| Deputy Supt. | 2 | 2 | |
| Captain | 1 | 1 | |
| Lieutenant | 1 | 5 | |
| Sergeant | 1 | 2 | |
| Detective | 1 | 1 | |
| Sgt. Detective | 6 | 6 | |
| Lt. Detective | 1 | 2 | |
| Police Officer | <u>1</u> | <u>1</u> | |
| | 14 | 20 | 0 |
| Anti Gang Violence Unit | | | |
| Deputy Supt. | 1 | | |
| Lt. Detective | 1 | | |
| Sergeant | 5 | | |
| Captain | 1 | | |
| Detective | 2 | | |
| Police Officers | <u>41</u> | | |
| | 51 | 0 | 0 |

| | 7/31/90 | 3/7/89 | 3/1/88 |
|----------------------------------|------------------------|------------------------|------------------------|
| Medically Incapacitated- Sick | | | |
| Sergeant | 2 | 3 | 0 |
| Sgt. Det. | 0 | 3 | 0 |
| Detective | 3 | 5 | 7 (1 LOA/susp) |
| Police Officer | <u>16 (2 LOA/susp)</u> | <u>15 (5 LOA/susp)</u> | <u>21 (5 LOA/susp)</u> |
| | 21 | 26 | 28 |

| | | | |
|-------------------------------------|------------------------|------------------------|------------------------|
| Medically Incapacitated- Injured | | | |
| Sergeant | 8 | 5 | 0 |
| Sgt. Detective | 2 | 1 | 1 |
| Detective | 7 | 5 | 9 (1 LOA/susp) |
| Police Officers | <u>72 (1 LOA/susp)</u> | <u>44 (2 LOA/susp)</u> | <u>65 (2 LOA/susp)</u> |
| | 89 | 55 | 75 |

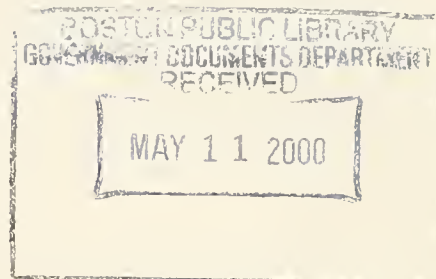
| | | | |
|-------|--------------|---------------|---------------|
| Total | 2,007 | 1,994 | 1,955 |
| | (8 LOA/susp) | (15 LOA/susp) | (28 LOA/susp) |



GOVDOC

MB/B16
FC
90/2

CITY OF BOSTON
FINANCE COMMISSION
294 WASHINGTON STREET
SUITE 817
BOSTON, MA. 02108
TEL. 482-9706



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Tyra B. Sidberry
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Jeffrey W. Conley
Executive Director

April 30, 1990

Honorable Raymond L. Flynn
Mayor of Boston
City Hall
Boston, MA 02201

Dear Mayor Flynn:

As you may know, the Uniform Procurement Act, Massachusetts General Laws, Chapter 30B, becomes effective on May 1, 1990. This bill was sponsored by the Inspector General's Office and it sets forth specific procedures for the awarding of public contracts and the expenditure of public funds. Compliance with this law should substantially reduce the number of unadvertised contracts issued by the City of Boston, create more competition and save the City money.

The major points of the new bill include:

1. A change in the bid limit to \$10,000. This provision will not apply to the City of Boston unless it passes a Home Rule provision to make that change;
2. Consultant contracts must be advertised publicly;
3. A Chief Procurement Officer must be designated and then be responsible for managing the issuance of public contracts;
4. Creates a workable process for purchases or services costing from \$1,000 to \$9,999;
5. Increases from \$10,000 to \$100,000 the threshold for competition under the Municipal Designer Selection Statute;
6. Allows the City to publish ads in the City Record instead of a major newspaper thereby saving a considerable amount of money;

Honorable Raymond L. Flynn
April 30, 1990
Page Two

7. Creates strict rules concerning changes in bids after any bid opening;
8. Develops a more comprehensive process for seeking competition through requests for proposals;
9. Places tight restrictions on so-called sole source vendors;
10. Limits the use of emergency contracts;
11. Sets forth strict requirements for contract amendments most importantly one, with a few exceptions, which prevents contracts from being amended by more than ten percent;
12. Establishes strict requirements for renewal options on contracts;
13. Provides a process for a disadvantaged vendor program and a sheltered market program;
14. Establishes a method for the delegation of authority to others by the Chief Procurement Officer.

The new law was passed by the Legislature in December, 1989 and signed into law by the Governor on January 10, 1990. It is effective on May 1, 1990. Public agencies have had almost four months to plan for its implementation. Nothing has been done in Boston, however, to prepare for implementation of this bill. The Commission is concerned about this because of the many contracts that will soon be issued that will not comply with the law. Further, there are numerous departmental employees with responsibility for administering contracts who have not been prepared or briefed on the new law. This new law will understandably require a period of time for full compliance to occur and we encourage you to direct the appropriate officials to begin the implementation process now.

It is imperative that the City focus on this issue because the current contract policies of the City do not comply with the new law. The City still issues too many unadvertised contracts. The City routinely allows for significant amendments to contracts which as of May 1st cannot exceed 10% of the original contract price. There will also be problems of complying with the law in terms of renewal options and contract extensions. Too often contracts are amended well beyond the original scope and cost, a situation that this law is intended to change.

The major problem that we see with the new bill is the bid limit. It is our reading of the bill, as well as that of the Inspector General, that the \$2,000 bid limit established by the City Charter, remains in effect. The new procurement law sets a bid limit of \$10,000, a figure long supported by the

Honorable Raymond L. Flynn
April 30, 1990
Page Three

Finance Commission. However, the Charter limit of \$2,000 will remain until the City seeks a legislative change. We urge you to seek legislation to raise the bid limit to \$10,000, the amount set by the Procurement Bill. Unless that is done, the requirements of the bill will become burdensome for small contracts.


In the past, the City Council has been reluctant to make this change. The existence of this new law, a law which applies to all cities and towns and other public agencies in the state, should eliminate any lingering concerns. Almost all contracts will be bid including consultant and personal services contracts, a concern of the City Council. All advertising will be centrally done in the City Record. Over time the City Record will see an expanded readership and thus more competition will be created. A much more objective process for the award of City contracts will be the result.

The enactment of the new bill, as you know, took into account many of the concerns of the City. The Office of the Inspector General was understanding of the concerns of the City in making changes to the bill. Certainly the provision that allows publication in the City Record of bid notices is beneficial to the City, saving it the cost of advertising in a major Boston newspaper. The bill presents the City with the opportunity to further improve its contract policies.

You have taken action over the past few years to tighten up the issuance of City contracts. You passed an Executive Order on the subject and later established an Office of Contract Management. Although the Executive Order has been slow to be implemented and the Office of Contract Management similarly was slow in fulfilling its mandate, this past year the office has done a much improved job. Fiscal Year 1989 contracts were substantially better managed than in any past year and the Office of Contract Management is largely responsible for that improvement.

Implementation of the Uniform Procurement Act will allow the City to continue its progress in this area. It requires more public bidding and demands competition. It is a good law for the City and we hope that you will take whatever action is needed to begin the process of compliance. The Office of the Inspector General is willing to hold any number of working sessions to help the City with setting up a process to comply with the law. Beginning this week the Finance Commission will review contracts looking for that compliance. We trust that it will be forthcoming.

Very truly yours,

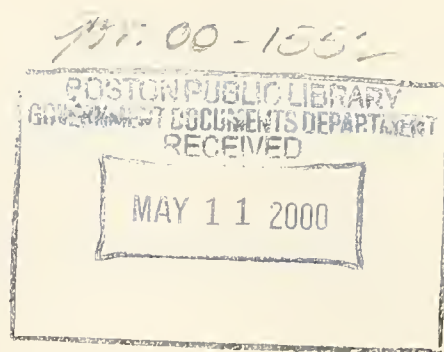

John L. Tobin
Chairman

GOVDOC

M3/B16
FC
9/1/1



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Jeffrey W. Conley
Executive Director

July 24, 1991

THE STATUS OF COLLECTIVE BARGAINING AGREEMENTS
IN THE CITY OF BOSTON

A

THE STATUS OF COLLECTIVE BARGAINING AGREEMENTS
IN THE CITY OF BOSTON

The Finance Commission of the City of Boston (the Commission) has reviewed the status of collective bargaining agreements covering municipal employees. The Commission thought it important to put the negotiations of these collective bargaining agreements in perspective and to make the general public more aware of the important issues involved as the City and its employees negotiate new collective bargaining agreements.

There are thirty seven such agreements, most of which were in place for two to three years and expired on June 30, 1990. Attached hereto is a summary of the terms of ten of these contracts, including those of the largest unions. These thirty seven collective bargaining agreements cover approximately ninety (90%) percent of all city employees. The City negotiates with twenty three unions and the Boston School Committee negotiates with fourteen additional unions. The unions vary in size from the four thousand member State, County and Municipal Employees, AFL-CIO, Council 93 (AFSCME) to the 11 member International Brotherhood of Electrical Workers, Local 93. Unions represent every employee group in the City including its managers, police and fire fighters, hospital employees, clerical staff and laborers.

Because of the present economic climate, the Commission recognizes the difficulty of renegotiating these agreements. In fact to date, the City has not offered the unions any additional or increased compensation.

This is a very different situation than when these agreements were last negotiated. Then revenues were up, the City budget was more easily balanced and the City claimed a desire to make employee salaries more competitive with comparable positions in private business. All employees received substantial increases in pay and benefits. Salaries were increased in many different ways. There were straight percentage increases. The City agreed to thousands of job upgrades, new grades were added to pay scales, new steps were added to grades, a variety of differentials, longevity pay and specialty ratings were included in these collective bargaining agreements. Taken together employees received pay adjustments that ranged from fifteen (15%) percent over two years to sixty (60%) percent over three years.

Unions were not treated equally however. The unions that received the most favorable agreements did not always represent employees who were comparatively lower paid. According to the Massachusetts Municipal Association and the Massachusetts

Department of Education, Boston's teachers, its police officers and firefighters are among the best paid in the Commonwealth. Despite this, the contracts of the police, firefighters, teachers and administrators in both the School Department and the City stand out as being exceedingly generous. The actual salary increase when considering all the increased wages and benefits exceeded thirty (30%) percent for most rank and file police and firefighters.

Money, straight salary increases, is the most important concern in the negotiating process. It is the singular reason why the collective bargaining process is presently bogged down. First and foremost salaries are increased on a percentage basis. There are, however, other ways to increase the value of a contract and unions look for ways to accomplish this for the benefit of their members. These other benefits such as differential pay, longevity pay, personal days and sick days have been dealt with by the City in a haphazard manner. There has not been any standardization of these benefits. In the past, the City has agreed to such benefits without a sufficient attempt to make said benefits consistent between unions and without sufficient analysis of the cost involved in granting same.

The Commission does not suggest that all contract benefits be the same. It does, however, recommend some standardization. Salaries should not be standardized, but there is merit in developing a standardized policy for sick leave, as an example, through the collective bargaining process. The number of sick days available to employees varies from contract to contract. Some union employees can accumulate days, others cannot. There are differences in both short and long term buyback provisions and some agreements allow for sick days to be exchanged for vacation.

The use of personal days could be standardized and more consistency could be developed with vacation time as well. The failure to establish standards in these areas only opens the City up to more demands by its employee unions. Any time concessions are made with benefits to employee unions, other unions expect to receive the same benefits.

It is also imperative that the City know the real cost of all salary and benefit increases before it agrees to offer additional salary or benefits. The Director of the Office of Labor Relations has told the Commission staff that the current round of negotiations is the first time that a budget analyst will sit in on and be involved in contract negotiations to cost out all suggested contract revisions. While the City's fiscal situation and the overall economy will act as a natural brake on the granting of salary increases and additional benefits this year, the role of a budget analyst in collective bargaining negotiations now and in the future should be clearly defined and recognized.

The Commission would suggest that as an adjunct to the collective bargaining negotiations presently taking place that the City develop a multi year early retirement plan. The Commission is of the opinion that development of such a plan would both facilitate negotiations and give the City the ability

to better control the size of its work force and the costs associated therewith.

Finally, the Commission would also note that because the City is not in a position to increase salaries for employees it should strictly manage the costs of non union personnel who work under personal services contracts. It is only fair to apply existing fiscal limitations across the board and not increase the compensation in personal services and consultant contracts.

Commissioner Cheryl Cronin has declined to participate in the issuing of this report.

A SUMMARY OF THE TERMS OF TEN COLLECTIVE BARGAINING AGREEMENTS

SERVICE EMPLOYEES INTERNATIONAL UNION, AFL/CIO, LOCAL 285

THE SERVICE EMPLOYEES INTERNATIONAL UNION, AFL/CIO, LOCAL 285 REPRESENTS OVER 2,800 EMPLOYEES. THERE ARE FOUR DIVISIONS OF THE UNION. THE LARGEST COMPONENT REPRESENTS 1,900 CITY AND COUNTY PEOPLE IN JOBS SUCH AS BUILDING CUSTODIANS, TELEPHONE OPERATORS, CLERKS, SOCIAL WORKERS, HOSPITAL EMPLOYEES, TECHNICIANS ETC. ALL EMPLOYEES RECEIVED THE FOLLOWING PERCENTAGE INCREASES:

| | | |
|--------|----|---------------|
| 7-1-87 | -- | 6.5% INCREASE |
| 7-1-88 | -- | 6.5% INCREASE |
| 7-1-89 | -- | 6.5% INCREASE |

THE EFFECT OF THE ABOVE CHANGE WAS BASED ON THE GRADE AND STEP OF INDIVIDUAL EMPLOYEES. FOR EXAMPLE, SOMEONE IN GRADE 8, STEP 7 RECEIVED THE FOLLOWING:

| | | |
|--------|----|----------|
| 7-1-87 | -- | \$354.10 |
| 7-1-88 | -- | 392.20 |
| 7-1-89 | -- | 434.41 |

ADDITIONALLY, A NEW 8TH STEP WAS ADDED TO THE PAYSCALE GIVING EVERYONE AT THE TOP OF THEIR JOB CATEGORY 15.6% INCREASES FROM JANUARY 1988 TO JULY, 1989. THERE WERE MANY CLASSIFICATION CHANGES AS WELL. ALL CUSTODIANS WENT FROM GRADE 4 OR 5 TO GRADE 6. CLERKS JUMPED THREE GRADES. MANY HOSPITAL EMPLOYEES WENT UP THREE GRADES. GRADE CHANGES WERE ACCOMPANIED BY A STEP INCREASE, OFTENTIMES STEP TO STEP WITH A CHANGE OF 1 OR 2 GRADES BUT A LESSER CHANGE WHEN THE GRADE INCREASE EXCEEDED TWO GRADES. FOR EXAMPLE, A THREE GRADE INCREASE FOR SOMEONE AT GRADE 12 RESULTED IN A SALARY ADJUSTMEENT FROM \$389 WEEKLY TO \$618 WEEKLY OVER THE LENGTH OF THE CONTRACT, A 59% JUMP IN PAY.

SERVICE EMPLOYEES INTERNATIONAL UNION, AFL/CIO(NURSES)

THERE ARE APPROXIMATELY 800 MEMBERS OF THE REGISTERED NURSES UNION. THE CITY BELIEVED THAT IT HAD TO INCREASE THE PAY FOR REGISTERED NURSES TO REMAIN COMPETITIVE. THE NEW AGREEMENT ACCOMPLISHED THAT WITH THE FOLLOWING CHANGES:

7-1-87 -- 5% INCREASE PLUS 5% MORE FOR A NEW STEP 8
7-1-88 -- 22% INCREASE
10-1-88 -- 2%
1-1-89 -- 5% IN A NEW STEP 9

NURSES' PAY INCREASED BY OVER 44% IN THE ABOVE PERIOD.

7-1-88 -- 22% INCREASE
10-1-88 -- 2%
1-1-89 -- 5% IN A NEW STEP 9

NURSES' PAY INCREASED BY OVER 44% IN THE ABOVE PERIOD. FOR EXAMPLE, AN RN7 IN THE FIRST YEAR OF THE CONTRACT WAS PAID \$517.57. THAT INCREASED TO \$745.59 BY OCTOBER, 1988. AN RN15 AT THE TOP OF THE SCALE WAS PAID \$775.41 IN JULY, 1986 INCREASED TO \$1,117.02 BY OCTOBER, 1988. BOTH REPRESENT 50% SALARY INCREASES. THERE WERE ALSO INCREASED SHIFT DIFFERENTIALS, WEEKEND AND HOLIDAY PAY INCREASES, FLOAT AND CHARGE PAY DIFFERENTIALS AND MORE ON-CALL PAY.

AMERICAN FEDERATION OF STATE COUNTY AND
MUNICIPAL EMPLOYEES, AFL/CIO COUNCIL 93

THE AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL/CIO COUNCIL 93 IS THE LARGEST MUNICIPAL UNION. THERE ARE 4,000 MEMBERS IN FOUR BARGAINING UNITS. THE FOLLOWING SUMMARY COVERS PEOPLE IN A VARIETY OF CITY DEPARTMENTS.

7-1-87 -- 6.5%
7-1-88 -- 6.5%
7-1-89 -- 6.5%

1-1-88 -- NEW 8TH STEP - 2%
7-1-88 -- 2% MORE IN STEP 8
1-1-89 -- 2% MORE IN STEP 8
7-1-89 -- 4% MORE IN STEP 8,

THE CUMULATIVE THREE YEAR INCREASE WAS 33.13%. THERE WERE 100 POSITIONS UPGRADED. THERE WERE ADDITIONAL DIFFERENTIALS, MORE LONGEVITY AND NUMEROUS STEP RATE INCREASES. A GRADE 12 STEP 3 EMPLOYEE WAS PAID \$333 BEFORE THE EFFECTIVE DATE OF THE CONTRACT AND \$434 TWO YEARS LATER, AN INCREASE OF 30%. SOMEONE IN GRADE 15, STEP 6 WENT FROM \$475 TO \$618 BY 7-1-89, ALSO AN INCREASE OF 30%. WHEN A GRADE CHANGE WAS AUTHORIZED AT THE SAME STEP AN ADDITIONAL 4% IS ADDED.

SALARIED EMPLOYEES OF NORTH AMERICA, DIVISION OF
THE UNITED STEELWORKERS OF AMERICA AFL/CIO

THE SALARIED EMPLOYEES OF NORTH AMERICA, (SENA) IS THE MANAGERS UNION AND IS A DIVISION OF THE UNITED STEELWORKERS OF AMERICA. ITS CONTRACT EXPIRED ON JUNE 30, 1991. SALARIES WERE ADJUSTED FOR ALL MEMBERS ACCORDING TO THE FOLLOWING SCHEDULE:

| | | |
|--------|----|----|
| 7-1-88 | -- | 4% |
| 7-1-89 | -- | 4% |
| 1-1-90 | -- | 4% |
| 7-1-90 | -- | 4% |

THE CUMULATIVE INCREASE OVER 2 YEARS WAS 17%. FURTHER THERE WERE INCREASED AMOUNTS IN CAREER AWARDS AND THERE WERE HUNDREDS OF UPGRADES IN JOBS. IN MANY CASES ENTIRE JOB CATEGORIES WERE UPGRADED AND CERTAIN EMPLOYEES WERE SPECIFICALLY NAMED IN THE BARGAINING AGREEMENT FOR UPGRADES.

THE MANAGERS BENEFIT FROM THE LARGER INCREMENTAL DIFFERENCE IN BOTH STEPS AND GRADES. THAT RESULTS IN A WIDENING OF THE SALARY GAP BETWEEN MANAGEMENT AND NON-MANAGEMENT PERSONNEL. FOR EXAMPLE, THE DIFFERENCE BETWEEN STEPS AS A MANAGER AS OPPOSED TO A NON MANAGER IS AS FOLLOWS:

| | <u>STEP 1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> |
|-----|---------------|----------|----------|----------|----------|----------|----------|----------|
| MM6 | 592.25 | 621.36 | 653.07 | 684.81 | 719.19 | 745.62 | 785.27 | 824.55 |
| R6 | 293.47 | 305.21 | 317.42 | 330.11 | 343.32 | 357.05 | 371.33 | 386.19 |

THE DIFFERENCE BETWEEN STEPS IS 5% FOR MANAGEMENT EMPLOYEES YET 4% IN THE R-GRADES. THE SALARY AT THE TOP STEP FOR SOMEONE AT MM6 IS 40% HIGHER THAN AT STEP ONE WHILE THE DIFFERENCE IN THE R6 GRADE IS 31%. THE SAME IS TRUE FOR GRADE CHANGES. A GRADE CHANGE FOR MANAGERS WITH STEP FOR STEP INCREASES IS AS FOLLOWS:

| <u>AT STEP 8</u> | | <u>AT STEP 8</u> | |
|------------------|---------|------------------|--------|
| MM10 | 1157.73 | GR 10 | 434.41 |
| MM11 | 1229.87 | GR 11 | 451.78 |
| MM12 | 1277.07 | GR 12 | 469.85 |
| MM13 | 1329.83 | GR 13 | 488.65 |

THE PERCENTAGE DIFFERENCE FOR THE MM GRADE CHANGE IS 15% FOR THE MANAGERS AND 12.5% FOR UNION PEOPLE. THE DOLLARS ARE SUBSTANTIALLY DIFFERENT, \$172 AS OPPOSED TO \$54.

BOSTON ASSOCIATION OF SCHOOL ADMINISTRATORS
AND SUPERVISORS (BASAS)

BASAS IS THE UNION REPRESENTING SCHOOL ADMINISTRATORS AND SUPERVISORS. IT IS ONE OF THE FEW UNIONS WHICH HAS TIME REMAINING ON ITS CONTRACT. THE FOLLOWING IS A SUMMARY:

| | | |
|--------|----|-------|
| 9-1-89 | -- | 4% |
| 3-1-90 | -- | 2% |
| 9-1-90 | -- | 3.25% |
| 1-1-91 | -- | 3.25% |
| 9-1-91 | -- | 3.25% |
| 1-1-92 | -- | 3.25% |

ONE OF THE GOALS OF THE CONTRACT WAS INCORPORATING LANGUAGE FOR ESTABLISHING SCHOOL BASED MANAGEMENT IN THE SYSTEM. IN RETURN THE CUMULATIVE PAY INCREASE OVER A 28 MONTH PERIOD IS 21.37%. AN ADDITIONAL \$3,000 PAYMENT WAS MADE TO ALL EMPLOYEES. THERE WERE ALSO INCREASE IN LONGEVITY PAYMENTS, EDUCATIONAL DEGREE PAYMENTS. BASAS MEMBERS RECEIVED ADDED COMPENSATION OF MORE THAN 30% IN LESS THAN A THREE YEAR PERIOD.

BOSTON TEACHERS UNION

| | | |
|--------|----|-------|
| 9-1-89 | -- | 4.5% |
| 2-1-90 | -- | 4.25% |
| 9-1-90 | -- | 4.5% |

THE RECENT TEACHERS CONTRACT WAS SETTLED WITH THE INCLUSION OF THE MUCH HERALDED SCHOOL BASED MANAGEMENT PROVISIONS. THOSE MANAGEMENT CHANGES WERE CITED AS A PRIORITY OF MANAGEMENT AND IN RETURN THE BTU RECEIVED CERTAIN SALARY BENEFITS. IN THE ONE YEAR PERIOD OF SEPTEMBER 1989 TO SEPTEMBER 1990 TEACHERS RECEIVED A RAISE OF 13.84%. IN ADDITION THERE WERE CAREER AWARDS AND A REOPENING PROVISION FOR SALARY INCREASES. ALL TEACHERS RECEIVED AN ADDITIONAL PERSONAL DAY WHICH BROUGHT THEM TO THREE PERSONAL DAYS. THERE IS ALSO A PROVISION FOR 35 FULL SABBATICALS AND 2000 EDUCATIONAL CONFERENCE DAYS.

BOSTON TEACHERS, ACCORDING TO THE STATE DEPARTMENT OF EDUCATION EARN A SALARY WHICH IS TWENTY-FIVE PERCENT HIGHER THAN THE STATEWIDE AVERAGE.

BOSTON TEACHERS IN GROUP 1, CLASSROOM TEACHERS, ARE PAID ON A SCALE SET FORTH IN THEIR CONTRACT. A TEACHER WITH A B.A. DEGREE AND WITH ALL COMPENSATION FACTORED IN AND NO PRIOR SERVICE BEGINS AT \$30,014. AT STEP SEVEN THAT TEACHER IS PAID \$43,178. SIMILARLY, THE TEACHER WITH A DOCTORATE, AT THE BOTTOM OF THE SCALE IS AT \$36,368 AND THE TOP IS AT \$51,310. SALARIES ARE INCREASED WHEN A TEACHER HAS 15 CREDIT HOURS TOWARDS A MASTERS, AGAIN WITH A MASTERS, MASTERS PLUS 15, MASTERS PLUS 30, MASTERS PLUS 45 AND A DOCTORATE.

ADMINISTRATIVE GUILD, DISTRICT 925

THE GUILD REPRESENTS CLERICAL EMPLOYEES OF THE SCHOOL DEPARTMENT. THEY RECEIVED A THREE YEAR CONTRACT WITH INCREASES IN THE FIRST TWO YEARS AND A REOPENER CLAUSE FOR YEAR THREE.

9-1-89 - 5%
9-1-90 - 4%

9-1-89 - ALL SENIOR CLERK TYPISTS, SENIOR CLERKS AND SENIOR CLERK STENOGRAPHERS UPGRADED TWO GRADES. THAT UPGRADE INCREASED THE PAY FOR THOSE EMPLOYEES FROM BETWEEN 4.3% TO 5.2%. THE CHANGE FROM GRADE 13 TO 15 INCREASED THE BASE PAY FROM \$368.67 AT GRADE 13 STEP 1 TO \$376.52 AT GRADE 15 STEP 1. THE PAY AT STEP 7 WENT FROM \$410.19 TO \$431.74.

BOSTON PUBLIC SCHOOL BUILDING CUSTODIAN ASSOCIATION

THE FINANCE COMMISSION HAS ISSUED TWO REPORTS IN RECENT YEARS CONCERNING THE PERFORMANCE OF SCHOOL CUSTODIANS. BOTH WERE CRITICAL OF THE PERFORMANCE OF MANY CUSTODIANS AND THE FIRST REPORT DOCUMENTED OVER FOUR THOUSAND HOURS FOR WHICH CUSTODIANS WERE NOT ON THE JOB DESPITE BEING PAID. DESPITE DOCUMENTED POOR PERFORMANCE NOT ONLY WAS THERE NO LOSS OF PAY, THE UNION WAS AWARDED PAY INCREASES IN ITS SUBSEQUENT COLLECTIVE BARGAINING AGREEMENTS.

THE CUSTODIANS UNION SIGNED A THREE YEAR AGREEMENT WITH THE FOLLOWING ADDED BENEFITS:

9-1-89 -- 4.5% OR \$22.50, WHICHEVER IS HIGHER
9-1-90 -- 4%

THERE WERE ADDED SHIFT DIFFERENTIALS AND CAREER AWARDS. GOOD FRIDAY WAS ADDED AS A HOLIDAY. A NEW GRANT DAY PROVISION WAS ALSO INCORPORATED. THE SCHOOL COMMITTEE ANNUALLY GRANTED EMPLOYEES EXTRA DAYS OFF. WHEN THAT OCCURS THE CUSTODIANS RECEIVE A COMPENSATORY DAY.

POLICE AND FIRE CONTRACTS

DURING THE ADMINISTRATION OF MAYOR FLYNN THE PUBLIC SAFETY UNIONS HAVE BEEN TREATED MORE FAVORABLY THAN ANY OTHER UNION. THEIR PAY INCREASES HAVE COME THROUGH BOTH STRAIGHT SALARY AND A LIBERAL DEFINITION OF TERMS FAVORABLE TO THE UNION. FURTHERMORE, ALL MONETARY PROVISIONS ARE FACTORED INTO THE WEEKLY BASE PAY THUS MAXIMIZING ALL OVERTIME, REGULAR PAY AND RETIREMENT BENEFITS. BOTH GROUPS ALSO BENEFIT FROM THE WORK SCHEDULE AND FROM COMPLICATED BUT MONETARILY PROFITABLE OVERTIME SEGMENTS OF THE AGREEMENTS.

BOTH CONTRACTS PROVIDED FOR THREE YEAR AGREEMENTS AT 6.5% ANNUALLY. BUT IN ADDITION TO THAT WERE NUMEROUS ADDED BENEFITS.

POLICE:

9% NIGHT DIFFERENTIAL -- EVERYONE RECEIVES IT WHETHER WORKING DAYS OR NIGHTS;
3.25% HAZARDOUS DUTY PAY -- AGAIN EVERYONE RECEIVES IT WHETHER WORKING ON THE STREET OR IN ANOTHER CAPACITY;
6.06% WEEKEND DIFFERENTIAL -- AGAIN EVERYONE RECEIVES IT EVEN THOSE WORKING THE MONDAY TO FRIDAY WORKWEEK;
2.1% INCREASE AS A 911 RESPONSE SPECIALIST WHETHER RESPONSE IS PART OF THE DUTIES OR NOT;
A VARIETY OF ADDED SPECIALTY PAY GRADES;
OVERTIME AND OVERTIME FOR COURT APPEARANCES;
HOLIDAY PAY COMPUTED AT 1/4TH OF THE WEEKLY PAY, NOT 1/5TH AS IS THE CASE WITH OTHER EMPLOYEES;
A FOUR DAY ON 2 DAY OFF SCHEDULE THAT PROVIDES 17 EXTRA DAYS OFF PER YEAR;
PAID DETAILS AT \$23 OR \$20 PER HOUR WITH A 4 HOUR MINIMUM WITH THE SYSTEM ADMINISTERED AT CITY EXPENSE;
ABILITY TO REDEEM 10 SICK DAYS PER YEAR;
FULL TIME PAY FOR TOP TWO UNION OFFICERS;
PAYMENT OF A LOBBYIST ANY TIME THE LEGISLATURE IS IN SESSION;
4 PERSONAL DAYS;
ASSIGNMENT DIFFERENTIALS FOR OFFICERS WORKING IN ANY ONE OF 37 JOBS;
UNIFORM AND CLOTHING ALLOWANCE INCREASE;
ADDED EDUCATIONAL INCENTIVES;
HIGHER CAREER AWARDS;
CITY MANAGEMENT OF AN EMPLOYEE DENTAL PLAN.

FIREFIGHTERS LOCAL NO. 718

7-1-87 - 6.5%
7-1-88 - 6.5%
7-1-89 - 6.5%

NIGHT DIFERENTIAL INCREASE OF 9.3% FOR ALL MEMBERS
WHETHER THEY WORK DAYS OR NIGHTS;

4.75% HAZARDOUS DUTY PAY FOR ALL MEMBERS REGARDLESS OF
THEIR JOB;

A LIBERALLY DEFINED 42 HOUR WORK WEEK -- DAY SHIFTS ARE
8:00 AM UNTIL 6:00 PM, NIGHT SHIFTS ARE 6:00 PM UNTIL 8:00 AM.
THE WORK SCHEDULE INVOLVES FOUR GROUPS ON AN EIGHT WEEK
ROTATION. THE SCHEDULE INVOLVES FOUR WEEKS WORKING 3 DAYS AND
FOUR WEEKS WORKING 4 DAYS. THE MINIMUM TIME OFF BETWEEN SHIFTS
IS 24 HOURS AND THE MAXIMUM IS 72 HOURS.

SENIOR MAN EXTRA DUTY PAY;

DESPITE THE SO-CALLED 42 HOUR WORK WEEK, HOLIDAY
COMPENSATION IS PAID AT 1/4TH OF THE WEEKLY COMPENSATION;

UNIFORM ALLOWANCE;

4 PERSONAL DAYS;

FILL IN PROVISIONS FOR PERSONAL DAYS;

FULL PAY FOR UNION PRESIDENT AND VICE PRESIDENT;

PAID LOBBYIST WHEN LEGISLATURE IN SESSION;

TRANSITIONAL CAREER AWARDS;

ADD-ON PAY FOR OFFICERS AND CIVILIAN POSITIONS;

41 SPECIALTY PAY GROUPS RECEIVING ADDED PAY UP TO \$9,000
PER YEAR;

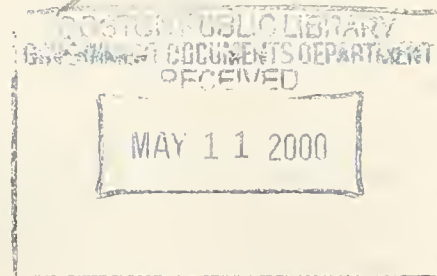
BOTH THE POLICE AND FIRE CONTRACTS PLACE ALL THE EXTRA
PAY INTO THE REGULAR WEEKLY PAYROLL THUS COMPOUNDING THE COST
FOR ALL OVERTIME, HOLIDAY, VACATION TIME, PERSONAL TIME. THAT
ALSO INCREASES PENSION COSTS FOR EMPLOYEES OF BOTH BARGAINING
UNITS. THE ADDED TIME OFF PROVIDED FOR IN THE POLICE CONTRACT
LEADS TO WHAT HAS BECOME A SERIOUS PROBLEM WITH PAID DETAILS.
OFFICERS ARE WORKING DETAILS BECAUSE THE MONEY IS EXCELLENT AND
THEY HAVE THE TIME AVAILABLE. YET TOO MANY OFFICERS EARN AS
MUCH MONEY WORKING DETAILS AS THEY DO IN THEIR REGULARY ASSIGNED
SHIFTS. IT IS AN ISSUE THAT POLICE COMMISSIONER ROACHE HAS
SPOKEN OUT AGAINST BUT HAS NOT REMEDIED.

ONE DIFFERENCE BETWEEN THE TWO UNIONS IS THAT THE
FIREFIGHTERS UNION INCLUDES FIRE ALARM OPERATORS. THE RESULT IS
THAT THEY RECEIVE THE SAME BENEFITS AS FIREFIGHTERS SUCH AS
HAZARDOUS DUTY PAY, NIGHT DIFERENTIAL WHILE WORKING DAYS, THE
ADDED BUY BACK OF SICK TIME, THE EXTRA PERSONAL DAY ETC.

GOVDOC

13/B16
FC
12/1

CITY OF BOSTON
FINANCE COMMISSION
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BOSTON, MA 02109
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367-6981
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De Jong, Chairman
City, Esq.

Lyra D. Stubberty
Neal J. Curtin, Esq.
Cheryl M. Cronin, Esq.

December 16, 1992

Jeffrey W. Conley
Executive Director

BOSTON SCHOOL BUS DRIVERS

It is the responsibility of the Finance Commission to investigate any and all matters relating to appropriations, loans, expenditures, accounts and methods of administration affecting the City of Boston or any department thereof. That statutory authority, Chapter 486 of the Acts of 1909, is what dictates the involvement of the Commission in matters relating to the School Department, among others.

The Finance Commission has considered the issue of the school bus drivers becoming public employees. The Commission was asked to analyze the issue by School Superintendent, Dr. Lois Harrison-Jones. The Commission has reviewed the matter financially and administratively. The Commission understands that there is some urgency to the issue. Superior Court Civil Action, Derek Allen, et al, vs. Paul Parks, et al directs the School Department to submit a proposal which will ensure that the school bus drivers become public employees no later than July 1, 1994. Should it be determined that it is not feasible or advisable to do so, the School Department must explain its reasons and offer a plan to ensure that the transportation needs of students, and in particular special needs students, are met.

The Commission recommends that the Court be informed that while it may be feasible to have the drivers become public employees it is not advisable.

The short term implication of having the drivers become public employees by July 1, 1994 causes numerous problems without improving service. First it would tie the hands of the City in employing the drivers in terms of labor relations matters. The terms and conditions of the union agreement reached with the previous vendor, ICBM, remain in effect if the drivers become public employees prior to August 31, 1995. Secondly, it is more costly to the City for the drivers to become public employees. Most importantly, such an action would likely eliminate the opportunity for the privatization of transportation services in the near future.

The reason for the Court order was concern about the School Committee's future ability to ensure the provision of reliable, timely and substantially uninterrupted service of

transporting special needs students. It has been the observation of the Finance Commission that the School Committee, through its transportation contract with National School Bus and before that with ICBM, provides a service which is reliable, timely and substantially uninterrupted. Even if there was some doubt as to the ability of the School Committee to effectively transport students via the contractual route, the Commission does not agree that making the drivers public employees provides the guarantees apparently sought by the Court. There are numerous examples of public employees striking. Unions also have a variety of ways to disrupt a public service including the transporting of students to school, without an actual strike.

The discussion of public vs. private employment of the drivers workforce should be directed towards cost as well as service. The on-time performance of the present contractor and the previous company has been timely and reliable. Thus it seems that there is clear and sufficient reason to acknowledge that the drivers need not be public employees simply to get students to school on time. Furthermore, the School Department already has in place a letter of agreement in which the drivers agree not to strike. The Department also has a court approved contingency plan and should a strike occur replacement drivers will be immediately sought.

The cost of the service is a significant concern. The Finance Commission has been involved with the Transportation Task Force for many months. The Commission has preliminarily concluded that the best long term solution is the privatization of transportation services. That should include selling the fleet and taking full advantage of the ability of the private sector to provide transportation services. The present contract expires on June 30, 1994 with a one year option to renew. It is our recommendation to devise a comprehensive Request for Proposals (RFP) over the next year and plan for a new contract to take effect in September 1995. The Commission would continue to offer its assistance in the advancement of that effort. The Finance Commission has reviewed the costs and in the short term it would be more costly for the City to hire the drivers. Doing such may lead to the School Department having to administer all transportation services in-house including employing the mechanics and all transportation related personnel.

The Commission has analyzed the cost of the present contract and projected costs should the driver workforce be made public employees. The largest cost item is drivers wages and benefits. The drivers have a contract and an agreement that should they become public employees anytime prior to August 31, 1995 that the terms of that contract continue. Should the drivers become public employees the cost of wages and benefits will increase.

Under the present contract the approximate cost of drivers wages and fringe benefits including workers compensation is \$17,200,000. Converting the driver workforce to public employees would cost an estimated \$18,405,000. There are some

major cost differences for public sector employment. Health insurance would increase substantially. The School Department offers its employees a better package than they presently receive under contract. The drivers would also most likely receive benefits given to other unions in terms of holidays, vacations, sick time etc. One negative aspect to the continuation of a private operation is the cost of workers compensation. The City and School Department self insure and thus the cost is less expensive. A summary of the cost differences is attached to this report.

Personnel costs other than drivers wages would also be a factor. Mechanics, office help and management employees are employed by the contractor. It doesn't make a lot of sense to own the buses, hire the drivers as public employees without turning the entire operation over to the School Department. School Department employees, for the most part, are paid at a higher rate than other city employees for similar work. That is especially true at both the top and bottom end of the spectrum and with some so-called specialized employees. Hiring the remaining workers would escalate employee costs. We estimate that the cost would be approximately \$3,254,000 if the same number of employees performing the same jobs were employed as School Department employees as opposed to the present \$2,594,000.

There would be other personnel costs although we did not include them for comparative purposes. There is little doubt that each union would reach an agreement where its employees fell in the mid-range of a grade resulting in annual step rate increase of 4%. We did not include the cost of negotiating out some of the unemployment compensation costs. The drivers receive a liberal benefit in this area. Our view is that the School Department, through the contractor, should reasonably assure the drivers jobs in the fall and thus not allow them to collect unemployment in the summer.

There are also significant potential problems with other city employees particularly at this time where there have been no pay raises for several years. Mechanics, for example, working in the main garage in the Transportation Department are paid less than mechanics working under the bus contract. They perform the same duties. Municipal unions understand that the City is experiencing difficult fiscal times. However, bringing on well over 700 new employees, many of whom are performing jobs that already exist, has the potential to create labor relations problems.

There would also be a significant start up cost in bringing 700-800 new people onto the city payroll. Such an effort would require a substantial commitment of time and money. Adding to the workforce in such numbers would lead to increased costs in other departments of the city and the school department. There would be added staff required to support those employees in the School Department's business office, law department and a commitment in reaching a labor agreement with

the affected employees. The City would also have the need to add to its auditing function, health insurance office, workers compensation unit, retirement board and personnel offices. Our estimate in indirect but related costs is \$600,000 annually: higher in the initial year.

The Finance Commission believes that overhead costs will also increase under a municipal operation. The most significant problem with the present contract and those that preceded it was that costs were simply incurred by the contractor and passed directly through to the School Department. There was no incentive for a vendor to control costs. As a result, costs have increased. The complete privatization of the contract would change that. The contractor should always have an incentive to control costs. Over the duration of this contract the overhead costs would remain about the same. However, that would change. The City would likely purchase or acquire by eminent domain new facilities or even the same as are used now. Due to bidding regulations and/or settlements in eminent domain proceedings, the City is at a competitive disadvantage. Property taxes would be lost under municipal ownership. Once fully privatized, the Commission believes that the private sector would find sites less expensive than those it presently uses. That would especially be true with a change in the contract that does not pass through all costs.

Insurance is a cost that could be reduced. The Transportation Task Force recommended self insurance of the fleet for the current contract. That recommendation was not accepted thus the cost of the contract rose accordingly. Self insurance is less expensive and should be the recommended approach regardless of who manages and operates the delivery of transportation services.

The opportunity to save money in the delivery of transportation services is substantially greater under privatization. During meetings with representatives of a national consortium of school bus companies it was made clear why there was so little competition for the Boston contract. Its unique format, the pass through costs, and essentially no profit incentive were principal reasons. There is also considerable concern about the job guarantees of the present workforce. The Finance Commission believes that it is time to encourage substantially more competition by eliminating the barriers that have discouraged companies from bidding on providing school bus transportation in the City of Boston.

One of the arguments that could be made to the Court in terms of a proposed transition not being advisable is the value and condition of the school bus fleet. The existing fleet would be sold to the next vendor under a privatization plan. In the short term the equity in that fleet could be made available for educational purposes. Vehicle replacement would be standardized and not be subject to political and budgetary pressures. For example, this year the city purchased no new buses. That decision was made for two reasons. One was a budgetary matter,

something that will likely reoccur as the City continues to struggle with limited financial resources. But it was also decided, based on the recommendation of the Transportation Task Force, to not add to the fleet. The School Department was able to reduce the number of buses needed. But with the prospect of privatization it was also felt that adding to the fleet at this time was not advisable. The impact of the decision will be costly in terms of increased maintenance costs in the upcoming years should the full operation of transportation services be assumed. Furthermore, we would suggest that if the Court is concerned with the reliable delivery of services that the condition of the buses is a factor. While the fleet is in generally good condition there is no established policy of replacement. Private companies through contractual requirements could be made to replace vehicles on a regular basis, buy from the same manufacturer thus reducing costs and buy at a lower unit cost due to volume.

Changes can be made more readily through a private contractor. The cost of drivers wages will never be controlled if they become public employees. The City would assume the contract and its expensive terms and conditions. This workforce has, for all intents and purposes, become a full time group. Although the employees work for the contractor, it had to assume the same workforce as that of the previous vendor. The School Committee and the Mayor have essentially guaranteed jobs and raises to the drivers. From 1988 to 1992 the annual percentage pay increase was 8.5%, 8.5%, 7% and 8.4% respectively.

Managing the School Department's transportation operation brings with it a whole variety of unanticipated issues and costs. There was time spent on the insurance aspect of the contract. More recently there have been problems with the delivery of fuel, the storage of fuel and the resultant union issues. There are other cost issues. There have been discussions of ways to cut costs by reducing service. For example, more students could use the MBTA, walk zones could be expanded, a revised starting time for schools could be introduced. Some of these issues have been before the School Committee in the recent past and will be again if costs are to be reduced.

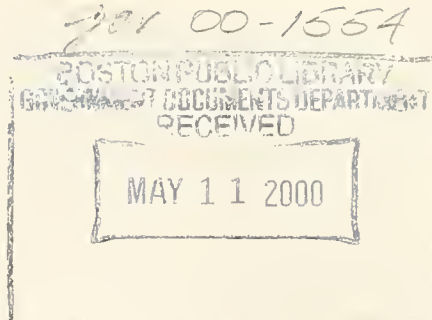
There has been a great deal of attention paid to the high cost of transportation. The School Department has been routinely criticized for expenditures in excess of \$30 million annually. The Finance Commission believes that every effort should be made to reduce costs including cutting back on the amount of service offered to students. Presently, students are well served and are getting to school on time and special needs students are particularly well served. The Finance Commission is convinced that it would be inadvisable to have the drivers become public employees. It is clear that based on a year's experience with this issue that the School Department should move towards the privatization of transportation services. The Commission encourages movement in that direction and recommends that the Court be informed that such a step is the more advisable approach in both the short and long term.

Summary of Costs

| | Under a City Operation | At present |
|--|------------------------|--------------|
| Driver Wages and Benefits | \$18,405,000 | \$17,200,000 |
| Other Employee Wages and Benefits | 3,254,000 | 2,594,000 |
| Overhead | 1,950,000 | 1,950,000 |
| Supplies and Equipment | 1,180,000 | 1,180,000 |
| Insurance | 2,375,000 | 2,375,000 |
| Fuel - Diesel and Gas | 1,100,000 | 1,100,000 |
| Management Fee | 0 | 1,458,000 |
| Additional Cost to the City and School Dept. | <u>600,000</u> | <u>0</u> |
| Totals | \$28,864,000 | \$27,857,000 |

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April 13, 1993

BOSTON HOUSING AUTHORITY
SOLID WASTE DISPOSAL COSTS AND SERVICE

The Finance Commission has reviewed the award and management of a \$1.3 million contract for the collection and disposal of refuse at forty-three Boston Housing Authority developments. The Commission reviewed the bid documents due to a concern over the propriety of the award and subsequently the quality of the service and its cost. As a result, the Commission finds that:

1. The Boston Housing Authority improperly awarded a \$1.3 million contract to Browning Ferris Industries which was not the lowest bidder;
2. The contract is poorly managed resulting in an inferior service to the thousands of residents it serves;
3. The cost of the service, which is paid for by the City of Boston's Public Works Department, is excessive and could be reduced significantly if merged with the existing city-wide Public Works Department contracts. The Finance Commission estimates that the City of Boston would save over \$500,000 annually by making this change.

The Finance Commission reviewed the award of the present contract due to the confusion over the interpretation of the bids. While reviewing the bids the Commission found that the BHA failed to take into consideration disposal costs in the family housing developments. That omission, an error of \$31,200, resulted in the contract not being awarded to the low bidder. The error prompted the Commission to review the overall cost of the contract and its management. Following our review it is apparent that the BHA does not manage the contract effectively and its cost is too high. Furthermore, the quality of the service is not acceptable. As a result, the Finance Commission finds that the collection and disposal of refuse in the BHA housing developments should be merged with the city contract and be managed by the Public Works Department.

The Bidding Process

There were four components to the bid process and the bidders were asked to bid on one or more of the proposals. Proposals I and III were for elderly developments and proposals II and IV for family developments. The BHA explained that the award would be made to the eligible bidder offering the lowest estimated total weekly cost and that separate awards may be made. That language is confusing but seems to indicate that the award would be based on the lowest overall price.

The top two bidders for the two year contract were Browning Ferris Industries (BFI) and Laidlaw Waste Systems, Inc. (Laidlaw). Both are reputable companies which have done work for the City of Boston. The bids were exceptionally close. The combined BFI bid was \$1,267,866.60 while the Laidlaw bid was \$1,267,534.80. The difference was \$331.80. One item in the bid was not properly evaluated in terms of cost which led to the award not being made to the low bidder. The housing developments are serviced by containers which are picked up on various weekly schedules. The bids sought unit prices on both the rental of the containers and the price per pickup. They also sought a per ton disposal fee. It was the calculation of that fee that was done improperly. Despite including it in the bid package the BHA failed to factor in the disposal costs.

Disposal costs are a key ingredient of any refuse contract. The BHA had an experience factor of disposing of approximately 60 tons of refuse per week in that item. Laidlaw bid \$10 less per ton than BFI. By multiplying the average weekly tonnage by the disposal fee per ton the difference in that item was \$31,200. The BHA failed to consider that cost. Because Laidlaw bid a lower disposal fee than BFI its bid was \$14,983 lower for proposal II. If combined with proposal I Laidlaw's bid was \$331.80 lower. Thus, either way the award to BFI was improper.

SUMMARY OF BIDS

Proposal I Solid waste pickup and disposal and container rental services for elderly developments:

| <u>Type</u> <u>Container</u> | <u>Est #</u> <u>Pickups</u> | <u>Unit</u> <u>Price</u> | <u>Est #</u> <u>Rented</u> | <u>Rental</u> <u>Price/Wk</u> | <u>Weekly</u> <u>Cost</u> |
|---------------------------------|--------------------------------|-----------------------------|-------------------------------|----------------------------------|------------------------------|
| <u>BFI Bid</u> | | | | | |
| 2 yard | 19 | \$10 | 4 | \$3 | \$202 |
| 6 yard | 32 | \$17.95 | 18 | \$3 | \$628.40 |
| 10 yard | 8 | \$46 | 4 | \$3 | \$380 |
| 30 yard | 1 | \$85 | 1 | \$15 | \$100 |

Laidlaw Bid

| | | | | | |
|---------|----|------|----|--------|----------|
| 2 yard | 19 | \$17 | 4 | \$1.50 | \$329 |
| 6 yard | 32 | \$26 | 18 | \$2.30 | \$873.40 |
| 10 yard | 8 | \$35 | 4 | \$3.50 | \$294 |
| 30 yard | 1 | \$85 | 1 | \$10 | \$95 |

Proposal II Solid waste pickup and disposal and container rental service for family developments:

| <u>Type</u> <u>Container</u> | <u>Est #</u> <u>Pickups</u> | <u>Unit</u> <u>Price</u> | <u>Est #</u> <u>Rented</u> | <u>Rental</u> <u>Price/Wk</u> | <u>Weekly</u> <u>Cost</u> |
|---------------------------------|--------------------------------|-----------------------------|-------------------------------|----------------------------------|------------------------------|
|---------------------------------|--------------------------------|-----------------------------|-------------------------------|----------------------------------|------------------------------|

BFI Bid

| | | | | | |
|---------|-----|---------|-----|------|-------------|
| 2 yard | 27 | \$10 | 9 | \$3 | \$297 |
| 6 yard | 807 | \$17.95 | 275 | \$3 | \$15,310.65 |
| 10 yard | 31 | \$46 | 11 | \$3 | \$1,459 |
| 30 yard | 25 | \$85 | 25 | \$15 | \$2,500 |
| 50 yard | 2 | \$85 | 1 | \$35 | \$205 |

Dump fee \$55/ton

Laidlaw Bid

| | | | | | |
|---------|-----|---------|-----|--------|-----------|
| 2 yard | 27 | \$13 | 9 | \$1.50 | \$ 364.50 |
| 6 yard | 807 | \$19.50 | 275 | \$2.30 | \$16,369 |
| 10 yard | 31 | \$31.50 | 11 | \$3.50 | \$1,015 |
| 30 yard | 25 | \$75 | 25 | \$10 | \$2,125 |
| 50 yard | 2 | \$85 | 1 | \$40 | \$210 |

Dump fee - \$45/ton

EVALUATION OF BIDS

The bid evaluation is a straight mathematical calculation. Under proposal #I the calculation is made by multiplying the estimated number of weekly pick-ups by the unit price. That number is then added to the cost of renting the containers on a weekly basis. That combined number is multiplied by 52 weeks.

Proposal I

| <u>Company</u> | <u>Weekly Cost</u> | <u>Yearly Cost</u> |
|----------------|--------------------|--------------------|
| Laidlaw | \$1,591.40 | \$82,752.80 |
| BFI | \$1,310.40 | \$68,140.80 |

Under proposal #II the same calculation is made except that one other factor must be considered, the disposal cost for 30 yard containers. That is calculated by multiplying the price per ton, \$55 for BFI and \$45 for Laidlaw, by the average weekly tonnage of 60 tons. This is where the error was made as that cost was not calculated. It is as follows:

| <u>Company</u> | <u>Price/ton</u> | <u>Weekly cost</u> | <u>Yearly cost</u> |
|----------------|------------------|--------------------|--------------------|
| Laidlaw | \$45 | \$2700 | \$140,400 |
| BFI | \$55 | \$3300 | \$171,600 |

Proposal II

| <u>Company</u> | <u>Weekly Cost</u> | <u>Yearly Cost</u> |
|----------------|--------------------|--------------------|
| Laidlaw | \$22,783.50 | \$1,184,742 |
| BFI | \$23,071.65 | \$1,199,725.80 |

Overall Summary

| | |
|---------------|----------------|
| Laidlaw ----- | \$1,267,534.80 |
| BFI ----- | \$1,267,866.60 |

The Level & Quality of Service

The error in the bid process resulted in the Commission looking into the cost of and delivery of the service. It seemed to the Commission that an agency which failed to take into account all cost factors may not manage the contract effectively.

The Commission directed that visits be made to all BHA housing developments. The observations were troubling. A number of the housing developments had rubbish overflowing from some dumpsters while others were relatively empty. The large 30 yard containers were also a problem. They contained a wide variety of material, much of which was not household refuse. We found car parts, construction material, tires, furniture and many items that did not come from the housing development where the dumpsters were located.

Accompanying this report are photographs taken of some of those containers. The City pays the disposal fee and thus is paying for tonnage which does not come from the housing units of the BHA adding a cost to the service which is unwarranted. The Finance Commission found too many containers that contained unauthorized refuse. It is an excessive cost that results from poor management.

One of the troubling issues to the Commission was the number of 30 yard containers being used. Many of them are too accessible to outside use and some are not even placed on BHA property. In Charlestown, for example, there are two 30 yarders located under the bridge, a considerable distance from the development. The Archdale project has a 30 yarder on Brookway Rd. that is used by people to dispose of auto parts. Those located at Franklin Hill, Franklin Field, Whittier St., Orchard Park and Mission Hill are all too accessible and can be used by anyone. The cost is paid by the City.

The Commission was also troubled by the location and the overflow of many of the smaller dumpsters. Some are placed on the street such as at Orient Heights. Others are not properly spaced at the developments. It is human nature to place refuse at the nearest dumpster. Our review showed that some were overflowed while others in the same project were half empty. That situation exists at Broadway in South Boston, Maverick, Old

Colony and Bromley Heath. Residents complain that the constant overflow problem attracts rats and creates a terrible environment. While inquiring about the frequency and quality of collection at the Old Colony development residents complained that the dumpsters were attracting so many rats that it wasn't safe for kids to play outside at times. It was a sanitary problem caused directly by the inability of the BHA to properly manage the collection and disposal of household refuse.

Due to the poor management of the refuse collection the Commission asked the Office of Code Enforcement to visit various projects. Many of the dumpsters create code violations and citations should be issued to the BHA.

Public Works Department

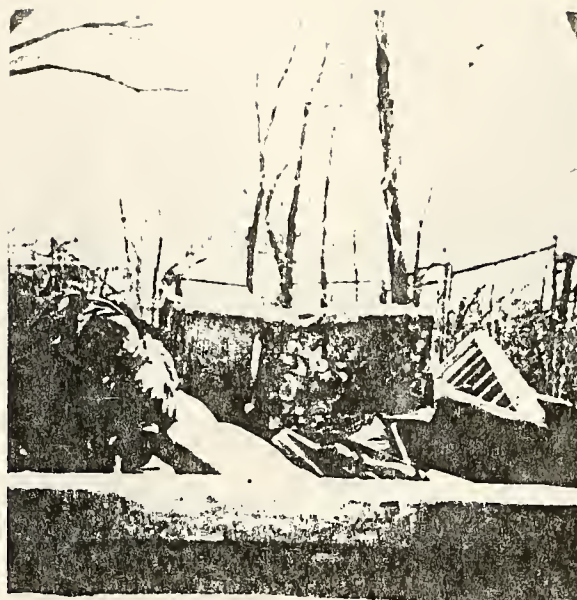
One of the better managed services in the City of Boston is the collection and disposal of household refuse. The City is divided into eleven districts and the collection and disposal contracts are bid separately. It costs the City just under \$6 million annually to collect household refuse and \$14.5 million to dispose of it. There are four companies under contract to collect refuse, including Laidlaw and BFI. The City's refuse is disposed of at three locations. The Commission has periodically reviewed the management of those contracts.

Years ago, in a judgement against the City, it was ruled that the cost of collecting and disposing of refuse in the BHA developments was to be paid by the City of Boston. Since that time the cost of the BHA refuse contract is included in the City's PWD budget. The Commission discussed the issue with Public Works Commissioner Joseph Casazza. While he pays the cost of the service, the Public Works Department does not issue the specifications, award the bids or manage the contract. All that is done by the BHA.

Each week the City disposes of approximately 4,800 tons of household trash. Disposal costs vary depending on location but like many contracts the unit price per ton is lower when the volume is higher. The BHA disposes of about 200 tons per week. At a price of \$50 to \$55 per ton the disposal cost would be less than \$600,000 per year. The added cost of collection would be minimal. The major vendors would likely add only a small extra charge for collection because they would not want to risk losing a district due to only a relatively small amount of additional work. Further, the BHA units should be serviced almost exclusively by 6 yard containers which can be collected by the same trucks already in use.



Mission Hill - 19 Tobin St. Roxbury
3/9/93 9:24 a.m.



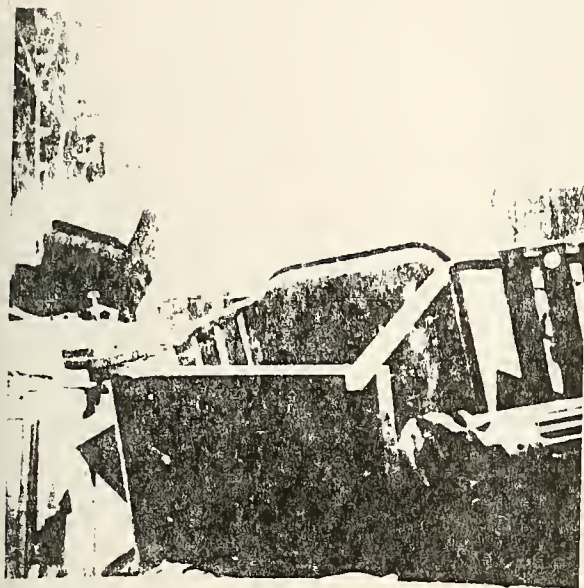
Mary E. McCormack, South Boston
Rear of Kemp St. 3/3/93



Rear of 159 Whittier St. Roxbury
3/3/93 9:20 a.m.



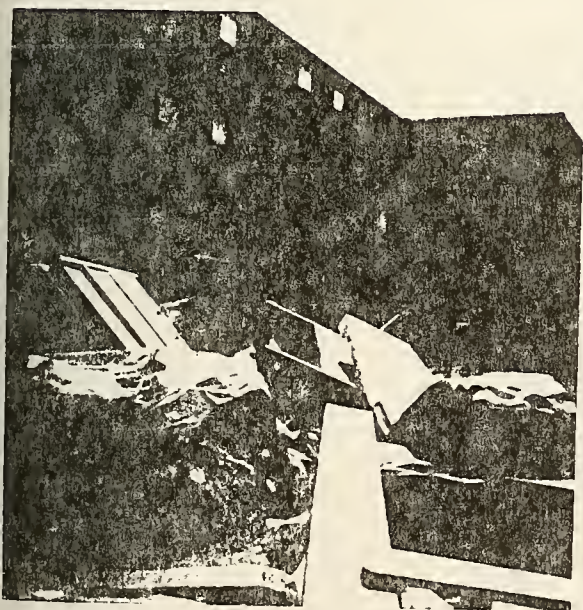
Side of Brookway Road, Jamaica Plain
3/9/93 10:33 a.m.



Rear of 45 Horan Way, Jamaica Plain
3/3/93 10:43 a.m.



Archdale Project 40 Brookway Rd.
Jamaica Plain 3/9/93 10:33 a.m.



Old Colony - Rear of 31 Patterson Ave.
South Boston 3/3/93 1:20 p.m.



Franklin Field - front of 91 Ames St.
Dorchester 3/9/93 11:13 a.m.



Franklin Hill - rear of 23 Shandon St.
Dorchester 3/9/93 11:05 a.m.



Rear of 23 Shandon St. Dorchester
3/9/93 11:05 a.m.

Estimated Savings

The Finance Commission estimates that the City of Boston would save over \$500,000 annually by having the BHA refuse contract merged with City collections. The City spends approximately \$20 million annually for this service. About two-thirds of the cost is for disposal. Its average cost per ton is about \$58. Thus the disposal cost for the BHA refuse would be approximately \$603,200. The household collection cost is roughly one-third the total. Add that cost to the cost of disposal and it would create a combined cost of \$900,000. However, BHA developments do not require curbside pick-up. Everything is placed in containers. By using almost exclusively 6 yard containers the cost of collection is less of a factor in BHA developments.

Our discussions with the City's Public Works officials also convinced the Commission that by merging the collections city-wide that there would likely be only a small added cost factor for collection. Thus we conclude that a minimum savings would be \$375,000 and it would more realistically be over \$500,000 annually.

Conclusion

The Finance Commission concludes that due to the fact that the PWD has the expertise to manage the refuse contracts and already pays the cost that a change is in order.

The Commission believes that the present contract was not awarded to the lowest bidder. From our review of the management of the service it is obvious that the residents of the BHA developments are not getting a quality service. Thus it is our conclusion that this contract should either be rebid or preferably merged with the existing city contracts.

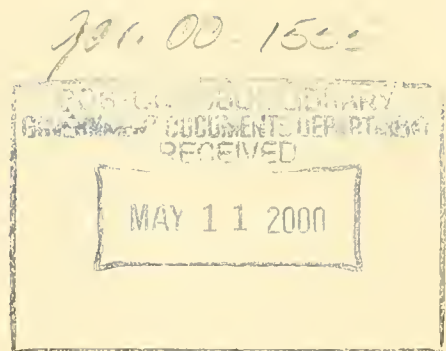
The Finance Commission believes that of the two acceptable choices that efforts should be made immediately to merge the BHA contract. The cost savings is what dictates that recommendation. The present contract is \$1.3 million. Our analysis is that conservatively a savings of \$500,000 annually would result from the contracts being merged. Furthermore, BHA residents would receive a better service.

The City is presently considering a variety of ways to reduce budgets or otherwise cut expenditures. Many of the anticipated changes will affect service to the City's residents. The change being proposed by the Commission will lead to a better quality service at a reduced cost. The change should be implemented at the beginning of the upcoming fiscal year, this coming July 1st.

GOVDOC

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FC
93/2

CITY OF BOSTON
FINANCE COMMISSION
152 NORTH STREET
ROOM 309
BOSTON, MA 02109
TEL. 367-6921
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Robert Franklin
Jeffrey W. Conley
Executive Director

August 11, 1993

BOSTON FINANCE COMMISSION
REPORT ON
TAX FORECLOSURE AND PROPERTY DISPOSITION



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August 11, 1993

The Honorable Thomas M. Menino
City Hall
Boston, MA 02201

Dear Mayor Menino:

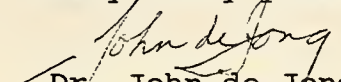
The Finance Commission has completed its review of the tax foreclosure and property disposition process of the City of Boston. As you know, this has been an area of concern for the Commission for many years. We hope that this report will receive your immediate attention and that some long overdue policy changes are made.

It is disturbing to see the effect of a municipal tax collection and property disposition process that is failing. The City could collect more tax revenue. It could be disposing of property of value through an auction process that would generate revenue and reduce expenses. The two departments in charge of these issues, the Real Property Department and the Public Facilities Department, have been at odds with one another for years. It has led to the City being an irresponsible landlord and a failed disposition process.

The Commission recommends that you take some action immediately. You should lift the mayoral policy of not allowing the financial redemption of foreclosed property after one year. The auction policy should be reinstituted. The city should inspect its own tenanted buildings for code violations and make sure tenants reside in acceptable living conditions. The Public Facilities and Real Property Departments should be merged into an effective working group. The benefits to the city will be an influx of revenue, a safer situation for tenants and a workable plan to place foreclosed property back on the tax rolls.

The Finance Commission issued a similar report in 1987 that was for the most part ignored. We welcome the opportunity to assist you in any way.

Very truly yours,


Dr. John de Jong
Chairman

As a part of its continuing efforts to locate sources of potential revenue for the City of Boston, the Finance Commission has recently completed a study of the tax foreclosure and property disposition process currently in use by the city. The Commission concludes that the present policy badly needs restructuring and the focus of the process should be tax collections, protection of city assets, responsible property and tenant management and the resumption of an obvious income stream.

The Commission has found the city to be an irresponsible landlord and poor property manager. Financially, its current policy has cost the city millions of dollars. The present unsold inventory of over 3,000 parcels of foreclosed property is worth many millions of dollars. We have identified for this report 100 properties with an assessed valuation of \$14,884,000. The sale of the most valuable of these properties would generate millions of dollars in revenue and add \$400,000 of real estate tax revenue initially and more as property investment is made. Furthermore, the City would no longer require as much of a financial investment in terms of maintenance, management and upkeep.

Background

Procedurally, the property foreclosure and disposition process is basic. When a taxpayer fails to pay taxes, the city places a lien on the property after the last yearly billing period. The city has sixty days to record that lien following which the city files a petition to foreclose on the property in Land Court. Those filings are an effective way to collect taxes. Over 95% of filings result in the payment of the tax bill.

Once foreclosed upon, the property comes under the jurisdiction of the City of Boston under the care and custody of the Real Property Department (RPD). In the past, RPD would auction the property. But since auctions were eliminated, RPD is the property custodian for the City. Disposition is the responsibility of the Public Facilities Department (PFD) but the transition process to PFD and the ultimate sale of any property has been woefully slow and cumbersome for many years. Thus, while the process is established its implementation has been ineffective.

Affordable Housing Initiative

The administration of Mayor Raymond L. Flynn made the reclamation of abandoned property a priority in September, 1984. Prior to that, all foreclosed property in the possession of the City was disposed of through auctions administered by the Real Property Department. Sales were awarded to the highest bidder. The Flynn Administration determined that too many properties sold at auction remained abandoned and undeveloped at the expense of city neighborhoods. It attempted to develop a strategy of developing that property into low and moderate income housing.

In April, 1987, the Finance Commission issued a report on the property foreclosure and disposition process which had been in place for about three years. At that time 79 properties had been conveyed, only 12 of which had been renovated into owner-occupied family dwelling units. Property had been conveyed without being advertised. In some cases, there were no legal requirements that renovations or redevelopment agreed to by a new owner as a condition of the sale be completed. The Commission concluded, at that time, that the program had not been successful.

The financial consequences of the new policy were considerable to the City of Boston. The income from the sale of foreclosed real estate during the time of the policy change was as follows:

| <u>Fiscal Year</u> | <u>Income</u> |
|--------------------|---------------|
| 1982 | \$1,765,189 |
| 1983 | 2,489,120 |
| 1984 | 2,790,562 |
| 1985 | 889,665 |
| 1986 | 115,518 |

During the early years of the new program there were disputes over the use of tax foreclosure as a means to develop affordable housing. The reduced income along with increased budgets for the Public Facilities Department which was in charge of developing a workable affordable housing plan were problems for the city. The Finance Commission viewed foreclosure as a legal step in the tax collection process and not as a means to develop affordable housing. That remains the position of the Commission. In 1986 the Flynn Administration struggled over the

issue highlighted by the foreclosure of 214 Harvard St., Dorchester, a former nursing home. The property had been foreclosed on by the City. It had been owned by a large nursing home chain that had gone into bankruptcy. The outstanding taxes at the time were \$619,000.

After one year from the date of the issuance of a decree of foreclosure, the decree can be removed only upon the request of the City. That occurred in preceding years as auction notices often resulted in property owners paying outstanding taxes. Yet the Flynn Administration determined that it would not support the vacating of decrees under any circumstances. The former owner of 214 Harvard St. reached an agreement to sell the property and pay off the back taxes. Mayor Flynn opted not to take the money. The proponents of the new disposition policy believed that the site had good potential in the near future.

The City lost the \$619,000 and the taxes that would be paid on the property, at the time \$35,000 annually. It took three years for PFD to sell the building for \$1. Three years later PFD boarded up the building. It has never been developed, has returned nothing to the City, has had an adverse impact on the neighborhood and was a decision that cost the City some \$800,000. It set the standard for tax collection policy.

Again, the policy is that the City does not accept a tax payment beyond one year of a foreclosure decree regardless of the circumstances. In many cases the City has not developed a re-use plan for the property in question yet refuses to accept payment. A current example is a series of small lots at the corner of Commercial and Charter Streets in the North End. The city has refused offers of redemption, a payment to the city that would be approximately \$220,000. There is no plan for the land and there will be none as one small piece of privately held property lies in the midst of the foreclosed lots. It makes no sense to turn down money to redeem property in such situations.

The disposition process had some success stories. There were buildings renovated, abutter lots sold and affordable housing units created. PFD put together an analysis of its accomplishments for the Finance Commission highlighting the success stories, but what it failed to do is consider the several thousand remaining foreclosed properties. The inventory of foreclosed property is higher now than it was in 1984 and again in 1987. It is over 3,000 parcels. The City has more parcels which are occupied residential housing units. There are many which are a mix of commercial/residential units and the number of abandoned buildings is still a problem. The bulk of the inventory is vacant land.

Present Inventory Crisis

The Commission has made visits to most of the approximately 200 existing buildings in the inventory. The City is not a responsible landlord. It has:

- * failed to consistently collect rents;
- * avoided repairs, even needed repairs to tenanted buildings;
- * allowed former owners to continue to occupy buildings without collecting rents after seizing the property for nonpayment of taxes;
- * allowed property with considerable sale and tax value to sit idle;
- * owned condominiums for which the city is liable for condo fees and has not paid those fees.

The inventory of foreclosed property has increased in recent years while the budget to maintain that property has decreased. A change in policy to sell appropriate properties at auction could have alleviated a worsening situation. It would have generated revenue, restored property to the tax rolls, reduced a building inventory to a more manageable level and enabled the City to use its limited resources on those tenanted homes that needed repairs.

The Finance Commission looked closely at the management of the Real Property Department (RPD), the Public Facilities Department (PFD) and the Tax Title Division of the Law Department. The current situation is almost identical to that of 6-7 years ago.

During the time the Commission reviewed this matter in 1987 there was a jurisdictional dispute between RPD and PFD. It had a negative impact on the City. That dispute remains today. Both agencies believe they should handle dispositions. Each blames the other for a variety of problems and delays. Both agencies are more concerned in justifying their own existence than they are in working together to implement a better property disposition process. It seems clear to the Commission that the auction process should be restored immediately. There are a number of properties in the present inventory that should be sold to the highest bidder. However, every situation is different and certain properties should be handled through a Request for Proposals (RFP) process similar to that used by PFD. The City needs to utilize all its resources to sell property.

Real Property Department

RPD has been left to manage a larger inventory with fewer dollars. It has also had to make repairs to buildings that were foreclosed upon at the insistence of PFD. The department has been relegated as a caretaker, responsible for property management yet it has no voice in property disposition. The main concern the Commission found with RPD is that it is a poor and irresponsible landlord.

There are several buildings which have been costly to the City in recent years. PFD is initially unconcerned with cost and management expense. It seeks expedited foreclosure of property and then fails to sell it. Since 1988 it sought a quick foreclosure process for 140 buildings yet to date only 6 of them have been sold. RPD is left to manage those buildings often at a significant cost to the taxpayer. For example, in 1987 PFD urged the expedited foreclosure of 83 Spencer St. in Dorchester. It was a tenanted building. It had been condemned by the City's Inspectional Services Department and was occupied. RPD spent almost \$40,000 on a new heating system, electrical, plumbing and building repairs. PFD failed to sell it. The building deteriorated, was boarded up and today is a blight on that neighborhood. At 20 Eutaw St. in East Boston PFD spent \$20,000 making egress improvements, shoring up old porches and bringing the property into compliance with code. It is a building with a combination of commercial and residential units that has clear value yet is unsold. There are many similar cases which need not have occurred.

RPD views its role narrowly in terms of property management. The rent collection policy is poor. The Commission reviewed the rent rolls of the Department and found that many rents are not collected. The department utilizes a simplistic rent policy. All residential tenants pay \$100 per month. It makes no difference if the residence is a single family home still occupied by the former owner or an apartment in a multi-family building with a host of housing code violations. If a tenant chooses not to pay rent, nothing is done. We pursued that policy with RPD and the response to it is alarming. RPD believes that if it adopted an aggressive rent collection plan that tenants living in units with code violations would take the city to Housing Court seeking relief. RPD chooses to not take that risk. We find that the position of RPD on this matter is an embarrassment to the city. The Commission observed significant code violations, including, but not restricted to, electrical problems, lack of plumbing, no smoke detectors, lack of heat, unvented space heaters, inadequate egress, leaking roofs, etc. These conditions existed at the following locations and the tenants in these buildings do not pay rent:

580 Blue Hill Ave.
10 Wardman Rd.
182 W Ninth St.
137 West Seldon St.
368 Centre St.
74 Mattapan St.
25 Gaston St.

The city does not dispose of tenanted buildings, having found them more difficult to sell. Thus, efforts are made to find alternative housing for people. People living in the worst living conditions are helped first. But the process is slow and cumbersome, particularly of late since the city's

only relocation specialist, a PFD employee, left the city's employment in April and has not been replaced. There have been some unfortunate situations regarding tenants living in substandard conditions. But in the most serious situations, the City did make efforts to relocate people. As people are relocated, the affected unit becomes vacant. That policy results in other tenants living in close proximity to vacant units which are potential trouble spots. Tenants complained to the Commission about unauthorized access, squatters, and the fear that is created.

The city efforts at property management are deplorable. RPD has a limited budget and has made poor policy decisions. But it is also placed in a difficult position because PFD will not accept property for disposition until all tenants are relocated.

RPD also allows former owners to remain in property foreclosed on by the City. Former owners are living at the following locations and are paying no rent to the City:

- 17 Garnet Rd.
- 224 Austin St.
- 48 Dana Ave.
- 219 Huntington St.
- 137 West Seldon
- 18 Welles St.

RPD never evicts people, including its commercial tenants. A more aggressive approach should be used with commercial operations, especially those who failed to pay taxes and rent for years. There are several businesses operating at the expense of the City in foreclosed properties:

- a restaurant at 97 Topliff St.
- an auto repair business at 118 Blue Hill Ave.
- a Funeral Home at 44 Perkins St.
- a law office at 236 Commercial St.
- a social club at 172 Saratoga St.
- a variety Store at 20 Eutaw St.
- stores in the 764 & 861 blocks on Blue Hill Ave.
- a repair garage at 54 Geneva Ave.

The worst commercial situation is a wharf with boat slips on Atlantic Ave. just behind the Sail Loft Restaurant.

One enterprising businessman whose property was foreclosed upon rented billboard space atop his storefront to Ackerley Communications until stopped by the Finance Commission.

RPD has also incurred difficulty with unsafe buildings and a limited budget. The Commission visited 7 Rockland St. in mid-June. It was abandoned and readily accessible. The neighbors were outraged. There were signs of drug activity and the building should have been demolished. Real Property did not have the funds to demolish it. The Commission brought it to the attention of PFD. It was scheduled to be demolished but PFD was unaware of its rapidly deteriorating condition. We found it incredible that it

took the Finance Commission to intervene in having the building torn down, especially because one RPD field agent regularly inspected it and sought its demolition. Once PFD was aware of the seriousness of the problem it took quick action. The building was torn down on July 1st of this year but the situation points to the lack of an effective working relationship among the two key city agencies responsible for the management and disposition of foreclosed property.

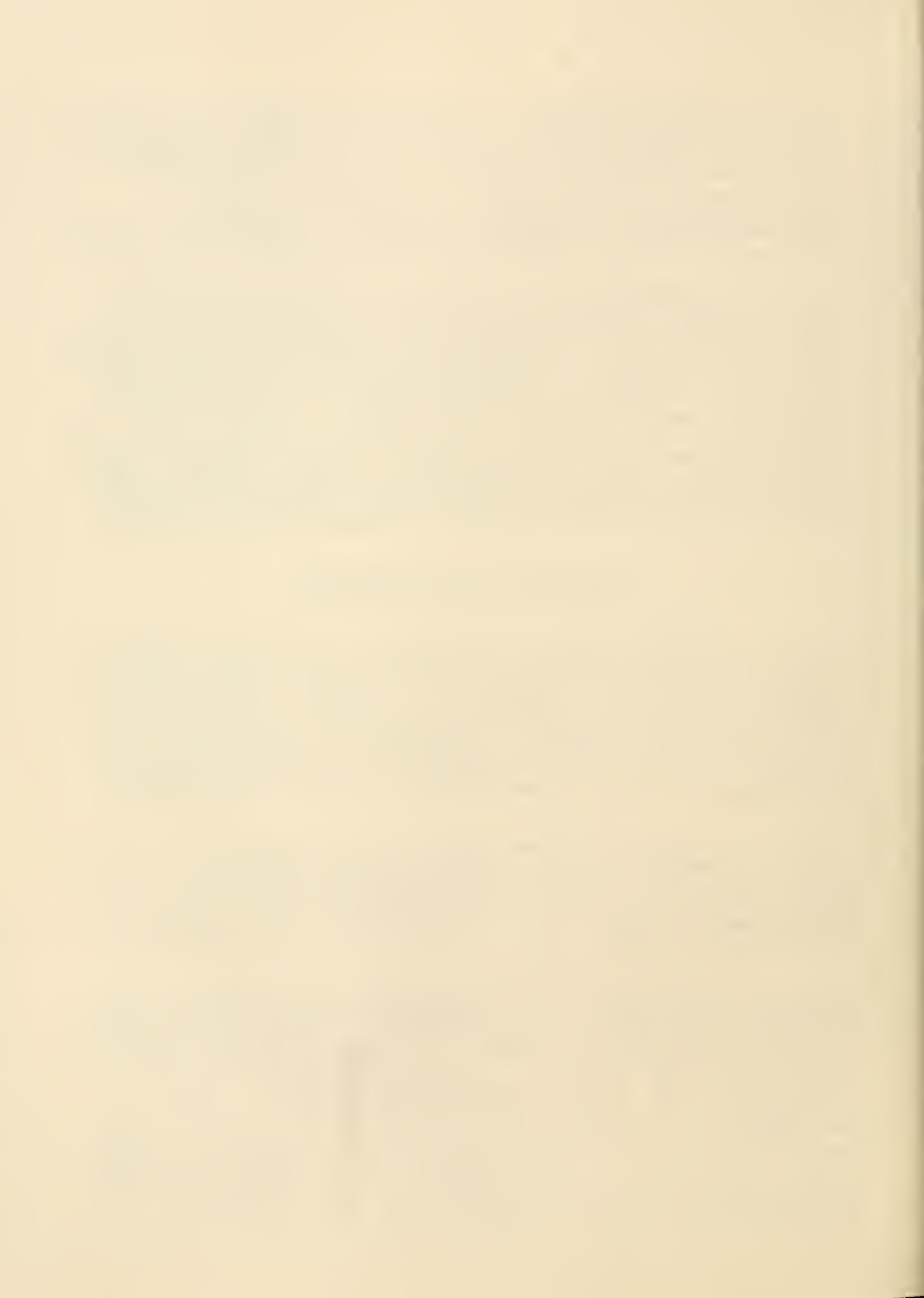
The Commission was similarly troubled with a three-family building located at 182 W. 9th St., South Boston. We visited it with several RPD officials. There are tenants living there, yet there was no second means of egress from the second and third floor units. An old fire escape was still attached but unsafe. RPD stalled on doing anything. The Commission pursued it, was continually told it would be repaired but nothing happened. RPD was in the beginning of a new fiscal year and should have authorized and funded the needed repairs. The Commission then pursued this with PFD. It sought bids and had the work done. RPD opted for its normal position of avoiding conflict and expense and allowed its tenants to live at risk.

Public Facilities Department

The performance of PFD in the disposition process over the past nine years has been a failure. It has been unable to reduce the inventory of buildings. It takes an extraordinarily long time disposing of property. Its process is cumbersome. In the past three years alone it has sold only 19 buildings. Since 1988 it sought the expedited foreclosure of 140 buildings yet has sold only six. To the extent that the City has encountered problems by becoming a bigger landlord, PFD has contributed to the problems.

Recently there has been a change in direction. Valuable property is in the process of being sold to the highest bidder. And other property is being advertised for sale. Due to the continued turf war regarding auctions, PFD utilizes an RFP process and finally there is recognition that property of value should be sold.

PFD has initiated what it refers to as a Real Estate Disposition Initiative. It is essentially selling some property through an RFP process. It seeks proposals and pays attention to value and generating revenue. It currently has 12 properties in the process of being sold. This is a step forward, but the progress does not include reinstating auctions as a means of disposition. PFD has also re-evaluated its former position of not disposing of occupied buildings. For over five years PFD has done nothing with a single family home in Hyde Park occupied by the same family for twenty years. The occupants have made repairs to it and would like to purchase it. This is a matter that should have been decided years ago with an obvious solution. But PFD policies got in the way of common sense.



PFD does have a better record of property maintenance. PFD stepped in where RPD failed. It has torn down a number of buildings. It has made needed repairs to tenanted properties when RPD officials look the other way. It has used available Community Development Block Grant monies to do these things. It was PFD which employed a relocation specialist to assist tenants. Overall, it has been responsive in terms of property maintenance. Yet, its function has been to dispose of property for the City and the results have been poor.

Recommendation for Policy Revision

After looking at dozens of properties, tenanted and vacant, one fact becomes obvious: no two situations are the same. The City of Boston is not taking advantage of a financial opportunity it solely controls. Attached as exhibit A is a list of one hundred foreclosed properties. The assessed valuation of those properties is \$14,800,000. Were each one currently on the tax rolls the city would be receiving \$400,000 in real estate taxes annually.

Many of the properties on the list accompanying this report could be sold at auction immediately. The assessed value in some cases is overstated but there is no doubt that there is significant uncaptured revenue. While sales to the highest bidder will work in some cases, others require a different approach. The City needs to be more flexible. It needs to use all its administrative and legal resources in terms of property disposition.

Currently, PFD is advertising for proposals for twelve properties. They are seeking sealed bids, many of which will go to the highest bidder. The more valuable of these should have been auctioned. The Commission recommends that the following properties be sold at auction (those with asterisks are currently in an RFP process). Some conditions should apply such as no sales to former owners, no sales to delinquent taxpayers and some guarantees on the timeliness of development.

- * 287 Hanover St. - an office condo
- * 236 Commercial St. - an office condo
- * 35 Concord Sq. - a vacant 6 floor townhouse
- 17 Brighton St., Charlestown - a vacant single family home allowed to deteriorate by the City;
- 9-11 Worcester St. - a residential/ commercial building;
- 20 Catawba St., a three family residential building in good condition;
- 19 Wayne St. - a vacant single family home in good condition;
- 18 Welles Ave. - a residential 2-family
- 224 Ausin St. - a residential single family

177-179 Lamartine St. - a 2 story
residential/commercial building;

17 Garnet Rd. - a single family home still
occupied by a former owner who has paid no taxes or rent to the
City since 1985;

a wharf on Atlantic Ave.

The Commission estimates that the auctioning of the
above twelve parcels would yield approximately \$2 million to the
City. Following this effort, the City should auction another
set of properties. Reasonable City officials can readily
identify property of value and auction it. That effort would
bring in more revenue, put property back on the tax rolls and
allow time and resources to be allocated to the more problematic
buildings.

There are problems with the values of some property.
Some of the values are overstated. It would thus seem prudent
to have an appraisal done of properties prior to a sale or
auction. The city can reduce its inventory while receiving some
much needed additional revenues.

Foreclosure was never meant to be the administrative
tool to develop affordable housing. It is a legal step used by
all cities and towns to collect taxes. It is the view of the
Commission that the City should revisit the issue and be more
aggressive collecting taxes. The City's Tax Title Division has
been effective collecting taxes by filing petitions to
foreclose. Over 95% of properties petitioned are redeemed.
Those which are foreclosed need more immediate attention than
presently exists. Auctions were yet one more effective means of
collecting taxes. When owners were faced with that option, they
would often pay their tax liability and if the property was
auctioned the City was financially protected. It recovered a
portion of lost taxes and put property back on the tax rolls.

The City must be more aggressive in terms of its tax
collection policies. The Office of the Collector/Treasurer
should place liens on all tax delinquent property in the year of
the delinquency. It should then forward to the Tax Title
Division those taxpayers remaining delinquent and foreclosure
action should be commenced. By doing so, collections will
increase. The Commission also believes that regardless of the
time factor, the City should accept tax payments. The city
should not be in the housing business. If a property owner is
able to make payment, even after a foreclosure, then the city
should accept it and do everything possible to keep property on
the tax rolls.

The City of Boston needs to more fully address its tax
foreclosure/property disposition process. It is losing tax
revenues and not taking advantage of the income it would realize
from the sale of foreclosed property. The City is a poor
landlord. The Commission has discussed the separate roles of
PFD and RPD with its top officials. PFD is steadfastly opposed

to auctions. That must change. RPD has made few changes and has become landlord to a worsening set of residential units. It may seem simplistic but we would encourage Acting Mayor Menino and these department heads to visit some tenanted properties under their respective jurisdictions to view the conditions. The currently proposed five point plan will not fully address the problems.

The Commission recommends the following changes to the policy:

1. Reinstate auctions, with appropriate restrictions, for properties of obvious value;
2. Collect tax revenues and eliminate the one year limit on vacating decrees;
3. Restructure PFD and RPD into one working group for property disposition. It should be exclusively established for this purpose and combine the function of the current PFD program and its staff with an auctioneer and several field agents currently employed by RPD;
4. The City must become a responsible landlord. Rents should be collected and all code violations repaired in buildings owned by the City;
5. Relocate tenants living in poor conditions.

The City has lost sight of its tax collection responsibilities. The Finance Commission has reviewed the matter now for a second time. The needs of the city clearly dictate action. Our independent review can be the basis for immediate positive change. The Commission urges Acting Mayor Menino to authorize these much needed changes immediately.

FORECLOSED PROPERTY ANALYSIS 100 SELECTED PROPERTIES

EXHIBIT A -Page 1 of 2

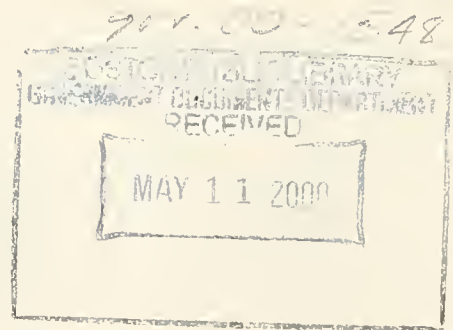
| Location | Description | Code | Land | Building | Total Value | FY 93 Tax |
|--------------------|-------------|------|---------|----------|-------------|-------------|
| 4 Trenton St. | #2 | R | 0 | 73,600 | \$73,600 | \$947.97 |
| 236 Commercial St | #2 Office | C | 0 | 173,300 | \$173,300 | \$6,930.27 |
| 342 Commercial St. | #3 | R | 0 | 132,200 | \$132,200 | \$1,702.74 |
| 287 Hanover St. | Storage | C | 0 | 105,500 | \$105,500 | \$4,218.95 |
| 287 Hanover St. | #4 Office | C | 0 | 344,000 | \$344,000 | \$13,756.56 |
| 39 Joy St. | Unit C | C | 0 | 70,000 | \$70,000 | \$2,799.30 |
| 333Washington St. | #835-B | C | 0 | 13,000 | \$13,000 | \$519.87 |
| 336 Marlborough St | #1 | R | 0 | 60,900 | \$60,900 | \$784.39 |
| 51Park Dr. | Unit B2 | R | 0 | 84,600 | \$84,600 | \$1,089.65 |
| 62 Queensberry St. | #206 | R | 0 | 69,300 | \$69,300 | \$892.58 |
| 62 Queensberry St. | #303 | R | 0 | 68,300 | \$68,300 | \$879.70 |
| 66 Queensberry St. | #415 | R | 0 | 64,700 | \$64,700 | \$833.34 |
| 80 E.Brookline St. | #3 | R | 0 | 74,300 | \$74,300 | \$956.98 |
| 1870 Comm. Ave. | #1870-A | R | 0 | 54,500 | \$54,500 | \$701.96 |
| 24 Sidlaw Rd. | #24-17 | R | 0 | 50,800 | \$50,800 | \$654.30 |
| 72 Strathmore Rd. | #4B | R | 0 | 73,700 | \$73,700 | \$949.26 |
| 21 Sutherland Rd. | #4 | R | 0 | 64,900 | \$64,900 | \$835.91 |
| 20-22 Eutaw St. | 12 Fam/2 St | R | 68,000 | 395,000 | \$463,000 | \$5,963.44 |
| 222R-224Havre St. | 3Fam | R | 26,500 | 44,000 | \$70,500 | \$908.04 |
| 170 Saratoga St. | 1Story | C | 45,000 | 130,500 | \$175,500 | \$7,018.25 |
| 172 Saratoga St. | 2Story | C | 14,500 | 43,500 | \$58,000 | \$2,319.42 |
| 259 Saratoga St. | 3Story | C | 13,000 | 37,000 | \$50,000 | \$1,999.50 |
| 17 Brighton St. | 1Fam | R | 75,300 | 44,300 | \$119,600 | \$1,540.45 |
| 35 Concord Sq. | 4Fam | R | 93,000 | 246,500 | \$339,500 | \$4,372.76 |
| 215 Athens St. | 3Fam | R | 53,100 | 15,900 | \$69,000 | \$888.72 |
| 773R E. Broad. | 3Fam | R | 64,900 | 69,000 | \$133,900 | \$1,724.63 |
| 739 E. Broad. | 3Fam | R | 64,900 | 69,000 | \$133,900 | \$1,724.63 |
| 601R-603R E.Second | 2Story | C | 24,500 | 44,500 | \$69,000 | \$2,759.31 |
| 758-762 Dudley St. | 1Story | C | 44,000 | 69,000 | \$113,000 | \$4,518.87 |
| 53 Gates St. | 3Fam | R | 59,600 | 62,700 | \$122,300 | \$1,575.22 |
| 41 Wendover St. | 1Fam | R | 37,800 | 21,600 | \$59,400 | \$765.07 |
| 182 W.Ninth St. | 3Fam | R | 54,500 | 73,000 | \$127,500 | \$1,642.20 |
| 47-49 Adams St. | 6Fam | R | 64,000 | 115,500 | \$179,500 | \$2,311.96 |
| 118-122 Bl.Hl. Ave | Rep.Gar. | C | 78,000 | 64,000 | \$142,000 | \$5,678.51 |
| 449-449B Dudley St | Mixed | R/C | 31,000 | 68,000 | \$99,000 | \$1,516.40 |
| 72-74 Roxbury St. | Rep Gar | C | 57,500 | 10,000 | \$67,500 | \$2,699.33 |
| 219 Roxbury St. | 1Story | C | 50,500 | 86,500 | \$137,000 | \$5,478.63 |
| 9-11 WorcesterSt. | 4Story | R/C | 33,500 | 135,000 | \$168,500 | \$2,170.28 |
| 5Gay Head St. | 1Fam | R | 65,100 | 15,900 | \$81,000 | \$1,043.28 |
| 63 Beech Glen St. | 1Fam | R | 33,800 | 51,100 | \$84,900 | \$1,093.51 |
| 1540R Columbia | 1Story | C | 161,500 | 36,500 | \$198,000 | \$7,918.02 |
| 1542R Columbia | 1Story | C | 156,000 | 117,500 | \$273,500 | \$10,937.27 |
| 16 Dalrymple St. | 3Fam | R | 59,800 | 69,000 | \$128,800 | \$1,658.94 |
| 1 Ellis St | 1Fam | R | 47,300 | 87,300 | \$134,600 | \$1,733.65 |
| 71 Forest Hls.St | 3Fam | R | 46,300 | 75,400 | \$121,700 | \$1,567.50 |
| 90 Jamaica St. | 1Fam | R | 72,500 | 22,600 | \$95,100 | \$1,224.89 |
| 237 Walnut Ave | Com.Land | C | 73,500 | 0 | \$73,500 | \$2,939.27 |
| 241 Walnut Ave. | N/H | C | 166,000 | 523,500 | \$689,500 | \$27,573.11 |
| 10 Wardman Rd. | 3Fam | R | 31,900 | 100,500 | \$132,400 | \$1,705.31 |
| Westminister Ave. | 2Story | C | 107,500 | 95,000 | \$202,500 | \$8,097.98 |

| Location | Description | Code | Land | Building | Total Value | FY 93 Tax |
|--------------------|--------------|------|-----------|-----------|--------------|--------------|
| 32 Alaska St. | 3Fam | R | 31,500 | 93,400 | \$124,900 | \$1,608.71 |
| 3 Carlisle St. | 1Fam | R | 35,900 | 51,100 | \$87,000 | \$1,120.56 |
| 20 Catawba St. | 3Fam | R | 30,500 | 66,200 | \$96,700 | \$1,245.50 |
| 25 Gaston St. | 3Fam | R | 35,100 | 79,600 | \$114,700 | \$1,477.34 |
| 74 Howland St. | 2.5Story | C | 63,000 | 237,500 | \$300,500 | \$12,017.00 |
| 275 Humboldt Ave. | 3Fam | R | 32,500 | 50,100 | \$82,600 | \$1,063.88 |
| 11 Perrin St. | 2Fam | R | 39,800 | 79,300 | \$119,100 | \$1,534.01 |
| 19 Wayne St. | 2Fam | R | 32,000 | 76,500 | \$108,500 | \$1,397.48 |
| 22 Beechwood St. | Warehouse | C | 189,500 | 391,000 | \$580,500 | \$23,214.20 |
| 580-580A Bl.Hl. | 6Fam | R | 50,000 | 169,000 | \$219,000 | \$2,820.72 |
| 756-758A Bl.Hl. | 3Fam/Store | R/C | 41,500 | 19,500 | \$61,000 | \$785.68 |
| 764 Bl.Hl. Ave | 1Story | C | 61,500 | 36,000 | \$97,500 | \$3,899.03 |
| 974 Bl.Hl. Ave | Rep.Gar. | C | 72,000 | 102,500 | \$174,500 | \$6,978.26 |
| 1276 Bl.Hl. Ave | 3Fam | R | 43,700 | 70,400 | \$114,100 | \$1,469.61 |
| 40 Geneva Ave. | 1Story | C | 47,500 | 92,500 | \$140,000 | \$5,598.60 |
| 54 Geneva Ave. | Rep.Gar. | C | 33,000 | 34,000 | \$67,000 | \$2,679.33 |
| 59 Norwell St. | Coal Bins | C | 42,600 | 0 | \$42,600 | \$1,703.57 |
| 157 Stanwood St. | Rep.Gar. | C | 54,000 | 36,000 | \$90,000 | \$3,599.10 |
| 82 Talbot Ave. | 1Story | C | 45,500 | 42,000 | \$87,500 | \$3,499.13 |
| 213-217 Wash. St. | Mixed | R/C | 15,000 | 17,000 | \$32,000 | \$1,279.68 |
| 38 Hecla St. | 3Fam | R | 57,500 | 66,700 | \$124,200 | \$1,599.70 |
| 97 Topliff St. | 1Story Rest. | C | 17,000 | 33,000 | \$50,000 | \$1,999.50 |
| 348-350 Adams St. | 1Story | C | 58,000 | 72,500 | \$130,500 | \$5,218.70 |
| 368 Centre St. | 3Fam | R | 65,100 | 69,600 | \$134,700 | \$1,734.94 |
| 54 Minot St. | 2Fam | R | 75,600 | 74,400 | \$150,000 | \$1,932.00 |
| 239 Minot St. | 1Fam | R | 65,100 | 97,300 | \$162,400 | \$2,091.71 |
| 120 Park St. | 1Fam | R | 85,200 | 45,600 | \$130,800 | \$1,684.70 |
| 4 Milton Ave. | Store/Off. | C | 60,500 | 34,000 | \$94,500 | \$3,799.06 |
| 872 Morton St. | 2Story | C | 71,500 | 292,500 | \$364,000 | \$14,556.36 |
| 18 Welles Ave. | 2Fam | R | 69,100 | 75,100 | \$144,200 | \$1,857.30 |
| 224 Austin St. | 1Fam | R | 55,300 | 56,200 | \$111,500 | \$1,436.12 |
| 1372-1380 Bl.Hl. | Gas Sta. | C | 47,000 | 47,000 | \$94,000 | \$3,759.06 |
| 511 Cummins Hgwy. | Com Bld. | C | 33,000 | 28,000 | \$61,000 | \$2,439.39 |
| 48 Dana Ave | 2Fam | R | 63,600 | 75,400 | \$139,000 | \$1,790.32 |
| 219 Hunt. Ave | 1Fam | R | 59,200 | 39,400 | \$98,600 | \$1,269.97 |
| 17-18 Margin St. | 1Fam | R | 58,500 | 43,000 | \$101,500 | \$1,307.32 |
| 74-74AMattapan St. | 3Fam | R | 43,000 | 96,500 | \$139,500 | \$1,796.76 |
| 6 Vanderbilt Ave. | 1Fam | R | 54,700 | 35,900 | \$90,600 | \$1,166.93 |
| 137 W. Selden St. | 2Fam | R | 42,900 | 64,900 | \$107,800 | \$1,388.46 |
| 177-179 Lamartine | Mixed | R | 31,000 | 58,500 | \$89,500 | \$1,152.76 |
| 229 Lamartine St. | 2Fam | R | 58,500 | 69,500 | \$128,000 | \$1,648.64 |
| 19 Oakdale St. | 3Fam | R | 83,300 | 72,200 | \$155,500 | \$2,002.84 |
| 44 Perkins St. | Funeral Hm. | C | 232,500 | 269,000 | \$501,500 | \$13,665.16 |
| 55R Sedgwick St. | 2Fam | R | 74,300 | 60,600 | \$134,900 | \$1,737.51 |
| 17 Garnet Rd. | 1Fam | R | 65,400 | 85,400 | \$150,800 | \$1,942.30 |
| Atlantic Ave. | Marina | C | 1,748,000 | 0 | \$1,748,000 | \$69,902.52 |
| 57 Samoset St. | Swim.Pool | R | 13,900 | 0 | \$13,900 | \$179.03 |
| Chestnut Sq. | Shed | R | 12,900 | 0 | \$12,900 | \$165.15 |
| 465 Park Drive | Unit E | C | 0 | 10,300 | \$10,300 | \$411.90 |
| Wallingford Rd. | Stables | C | 79,500 | 0 | \$79,500 | \$3,179.21 |
| Totals | | | 6,551,500 | 8,332,500 | \$14,884,000 | \$394,329.79 |
| | | | ===== | ===== | ===== | ===== |

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November 8, 1993

A Tax Amnesty Program for the
City of Boston

The City of Boston is currently owed close to \$100 million in outstanding property taxes involving 10,000 parcels of property. The backlog of unpaid cases has been a significant thorn in the side of city government. It leads to lost revenue. It has led to a significant increase in the number of abandoned buildings and unused vacant lots. The City has become an irresponsible landlord to many tenanted residential properties.

The only way to reduce the backlog is to aggressively collect back taxes. The old methods have failed. The Finance Commission proposes that the City of Boston adopt a one time property tax amnesty program. Such a program would waive the interest expense, currently set by law at 16% of the outstanding balance. An amnesty program would result in thousands of taxpayers paying outstanding bills and an estimated \$15 million for the city treasury. It would also substantially reduce the backlog of cases.

A tax amnesty program requires the approval of the Commissioner of the Department of Revenue (DOR) under the provisions of M.G.L. Chapter 58, s. 8. The Finance Commission has met with state officials including Revenue Commissioner Mitchell Adams and not only do DOR officials find the proposal to be an effective solution for Boston but they are presently reviewing it for possible use on a state-wide basis.

A significant portion of the \$100 million outstanding will eventually be collected. About \$55 million represents properties that have been petitioned. Approximately \$7 million is from the 1992 tax taking that has been eligible for petitioning but stuck in the backlog. Another \$8-\$10 million is in the 1993 tax taking, effective November 10, 1993. That date is the latest date ever for a fiscal year tax taking.

City officials are reluctant to admit that a change is needed. They frowned at the recommendation of a tax amnesty program. But the Commission is encouraged at the favorable response of DOR which recognizes the magnitude of the problem and the immediate impact an amnesty program would have on it.

Background

The Finance Commission issued a report on Tax Foreclosure and Property Disposition on August 11, 1993. The report criticized the City for being an irresponsible landlord to tenants in foreclosed buildings, was critical of the City for avoiding needed repairs in those buildings, for its failure to collect rents, for inaction regarding ownership of condominiums and for not selling property of value. A contributing factor to each of those problems was the fact that the City foreclosed on more properties each year than it sold. Its inventory increased each year and the City has shown an inability to expeditiously dispose of foreclosed property.

In 1987 the Commission first investigated the foreclosure and disposition process. At that time sales were slow, foreclosed property remained in the City's inventory for extended periods of time and the City had an unmanaged backlog of tax delinquent property.

The problem has worsened. Not only has the City lost millions of dollars due to its inaction but there are now tenants in city owned buildings living in unacceptable conditions. The Commission issued a critical report on August 11, 1993 detailing these problems. It is irresponsible for the City of Boston to allow housing code violations to exist in tenanted residential property it owns. Until the city adopts a more timely and effective disposition process and assumes a responsible role as a property manager these problems will continue.

The common denominator that contributes to these problems is a sizable backlog of tax delinquent property. Over the years periodic promises were made to clear up the backlog. Yet there is no plan in place to resolve it. This problem can be solved if the City moves aggressively and immediately to reduce that backlog and establishes a more timely policy for the collection of back taxes. As we proposed in our previous report the City must also manage it properly and develop a program to sell foreclosed property in as expeditious a manner as possible.

Property Tax Amnesty

A property tax amnesty program would waive the 16% interest expense currently applied to overdue accounts. It should be a one time program. It would demand the full redemption of delinquent taxes by participating taxpayers preventing them from avoiding payment on properties of minimal value. It should be available for approximately 60 days only and be implemented as soon as the City receives formal authorization from DOR. Every eligible taxpayer should be notified in writing explaining the program and specifically identifying the amount of interest to be saved. The benefit to the homeowner and taxpayer would be the relaxation of an unreasonably high, albeit legal, rate of interest currently charged to overdue accounts.

Following the end of the program the backlog will be reduced. At that point the City of Boston must be more aggressive in using its legal options to collect overdue property taxes.

Why an Amnesty Program ?

Boston has a good collection rate for property taxes. The Collecting Division promotes it as being 95% of the gross tax levy and 99.8% of the net levy. It meets or exceeds its performance standards annually. It points to a variety of statistics that supports its enhanced collection efforts. But it hasn't been enough in our view. There is a backlog. The City is owed \$100 million in back taxes. There are outstanding delinquencies from FY 1991 and 1992 yet to be petitioned. The FY 1993 tax taking is the latest ever. That is unacceptable and new ideas are needed. The Finance Commission is discouraged that the City has not been serious about reducing the current backlog. The amount of time taken on each property is the same. The City placed liens on 5,600 parcels in FY 1991, 5,500 in FY 1992 and 4,500 liens for FY 1993. Historically, collection efforts show similar results. Ultimately, only 200-250 parcels will be foreclosed annually. It simply takes too long to collect on that annual group of delinquent properties. Because of its failure to eliminate the backlog the City is always behind. The collection effort must also focus on reasonable management decisions particularly being more aggressive based on the amount of taxes owed. For example, in

FY 1993 there were 400 liens on properties owing less than \$50. A successful amnesty program brings in revenue, resolves much of the backlog and creates a window of opportunity to bring tax collection efforts up to date.

One of the principle reasons for the backlog of uncollected taxes is that the City has failed to properly fund and subsequently manage its tax collection efforts. Six years ago the Finance Commission was critical of the City for not filling needed positions in the Collection Division's delinquent tax unit. Since that time the City has reduced staffing in the Collectors Division. In fiscal year 1988 there were 73 employees working for the Office of the Collector-Treasurer, 40 of which were in the Collecting Division. This fiscal year only 30 of the 60 total employees are in that Division.

The program will help many taxpayers. The rate of interest charged on overdue accounts is much too high even though it is the amount provided by law. Interest is calculated at 14% on overdue accounts initially and then increased to 16% when a lien is filed. It is certainly fair for the City to charge an interest expense. But at today's interest rates the 14% and/or 16% rates are excessive. One of the reasons that DOR supports this program is due to those rates. DOR has supported pending legislation to lower the rate on uncollected taxes. By taking this step now the City is treating people encountering trouble in paying back taxes more fairly and realistically.

The Tax Collection Process

The disturbing aspect of the entire process is its length. It is easier to collect back taxes when the case is more recent. The process is the same for properties managed in a timely manner as well as those stuck in the backlog. The following describes the collection process using the fiscal 1991, 1992 and 1993 tax years: A 1991 fiscal year tax bill is the first example. The tax year in question is July 1, 1990 to June 30, 1991.

Last quarter bill received ---- May 1, 1991
Bill allows 30 days to pay ---- May 30, 1991
Demand notice allows 14 days -- June 14, 1991
Warrant notice - 14 days ----- June 30, 1991
Eligible for Tax taking ----- August, 1991
Eligible for Land Court ----- March 1, 1992

But the reality is different. The 1991 tax taking involved 5,500 parcels. The tax taking was made on October 1, 1991. Cases were not sent to the Law Department to be

petitioned until August, 1992 and are still being processed from the Collecting Division. The interest expense, at 16%, is accruing daily on every uncollected tax dollar.

The fiscal 1992 tax year is similar. Again, delinquent property was eligible for a taking in August, 1992 and would have thus been eligible for petitioning in April 1993. But the taking was made on October 28, 1992 and the petitioning of those properties is just now beginning. There are about 2,500 awaiting legal action.

The 1993 tax year is delayed even further. The taking is effective November 10, 1993. That results in those parcels not being eligible for petitioning in Land Court until May 10, 1994. But the backlog will result in no legal action being initiated until a year from today and cycle continues.

The Commission randomly selected two tax delinquent properties, one from FY 1991 and the other FY 1992. Both are owner occupied residential homes with no prior history of nonpayment. And both taxpayers made payment in the years in question although not full payment.

The first property is an owner occupied residential home in Mattapan recently petitioned. Taxes go back to fiscal year 1991 and the City made a taking on October 1, 1991. As of October 21, 1993 the amount due was \$2,352.83 broken down as follows:

| | |
|------------------------------|-------------------|
| 1991 Real Estate Taxes ----- | \$ 577.53 |
| 1992 Real Estate Taxes ----- | 864.37 |
| 1993 Real Estate Taxes ----- | 19.62 |
| Costs ----- | 51.00 |
| Coll. Int. ----- | 80.88 |
| Treas. Int. ----- | 398.43 |
| Lien ----- | 11.00 |
| Land Court Fee ----- | 350.00 |
| | <u>\$2,352.83</u> |

A look at the bill for a 1992 tax taking points out an added problem, the high cost of water bills in the City that are added to delinquent property taxes. Again, this is a owner-occupied residential property in East Boston.

| | |
|----------------------------|------------|
| 1992 real estate tax ----- | \$1,001.59 |
| 1993 real estate tax ----- | 965.84 |
| 1992 water bill ----- | 413.68 |
| Costs----- | 56.00 |
| Coll Int. ----- | 225.83 |

| | |
|----------------------|---------------|
| Lien ----- | 11.00 |
| Land Court fee ----- | 350.00 |
| Treas. Int. ----- | <u>292.61</u> |

as of 10/21/93 \$3,316.55

Under an amnesty program the taxpayer described above would save \$518.44 and the City would receive \$2,798.11 by December 31st. In the first case the taxpayer would save \$479.31 and the City would collect \$1,873.52. Both taxpayers are responsible for the Land Court filing fee of \$350. It is also very likely that both of these properties will be redeemed and not foreclosed upon. They are owner occupied dwellings with a record of paying their taxes.

The Mattapan property debt is \$1,461.52 in back taxes and \$891.31 in interest and other expenses. The East Boston property owes \$1,967.43 in taxes, a meter bill of \$413.68 and interest and bills of \$935.44

An amnesty program would help many taxpayers who are penalized from the delayed collection process. The first taxpayer made payment in every year and paid all but \$19.83 for 1993. A lien was place on October 1, 1991. The case was petitioned in Land Court. The filing fee is \$350.

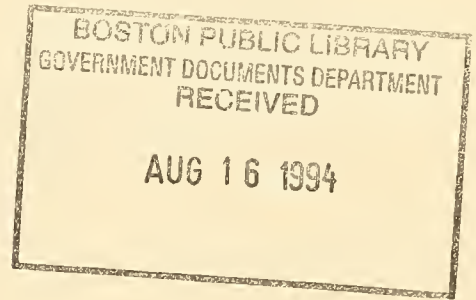
The Tax Title Division of the City Law Department does a good job. Annually it files an average of 1,500 cases with the Land Court of which 200 - 250 result in foreclosure. Thus from the initial tax taking of about 5,500 cases only about 4% are foreclosed upon. But the delays in the process cause problems for the city. Even though a small percent of properties reach foreclosure, the time it takes results in those properties often being in a deteriorated condition. That leads to high maintenance costs and a more difficult disposition process which the Commission has previously identified..

There has been a reluctance on the part of some City officials to agree to the amnesty idea. The complaints are due to the fact that this is a new idea and a stubborn reluctance to change. There is a new administration and one which will likely embrace new ideas. An amnesty program accomplishes a lot of positive things for the City and its taxpayers. The Finance Commission is very encouraged with the support of the DOR. The fact that DOR is looking to implement the idea on a statewide basis is evidence that this is a most practical solution.

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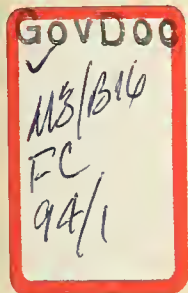
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July 28, 1994

AN ANALYSIS OF THE BOSTON FIRE DEPARTMENT

BOSTON FIRE DEPARTMENT

The Finance Commission has undertaken an analysis of the Boston Fire Department (BFD). It includes a financial and administrative review of the BFD and its personnel resources, particularly the uniformed workforce.

The BFD employs 1,700 people, of whom 1,543 are firefighters. Another 72 employees in the fire alarm division are civilians but they are members of the Firefighters Union and are paid as such.

The quality of the fire suppression workforce in the City of Boston is excellent. The department has good equipment, training, supervision and a dedicated firefighting workforce.

The City is in the process of hiring an independent consultant to evaluate the operation and management of the BFD. The Commission supports that effort. The role of the BFD has changed over the past ten years. Calls for service remain about the same but the nature of those calls is different. Boston has 50% fewer working fires than it did ten years ago. The BFD has not changed, however. Its suppression force remains credibly strong, however, ancillary aspects of the department need review.

Recommendations

1. The City of Boston is in the process of issuing a Request For Proposal (RFP) to conduct a management audit of the Fire Department. As part of that process attention should be given to every job currently being performed by a firefighter with some determinations about positions which may be filled by civilians.

2. The maintenance division of the BFD should be restructured. Civilian personnel should replace the bulk of the twenty-seven public safety officers in the division.

3. The top management employees of the Fire Department, Commissioner Martin E. Pierce, Jr. and Chief of Operations Kevin MacCurtain, should not be members of the same union they manage on a daily basis.

4. Light duty should be defined and negotiated into the bargaining agreement. With the exception of firefighters working in an authorized light duty status, no firefighter should be assigned to a job that could be performed by civilian personnel.

5. The City should re-evaluate the use of fire alarm boxes and the fire alarm division. The boxes are costly to maintain and contribute more frequently to false alarms rather than to serving the purpose for which they were intended.

6. The BFD should renew its commitment to fire prevention. Staffing has been diverted to the suppression force in recent years. With a new recruit class being trained the personnel losses in fire prevention should be reversed.

7. Employees in the Alarm and Construction Divisions should not have the same contractual benefits as firefighters.

8. The BFD needs to improve its personnel management. Officers with job related injury that preclude continued employment should be retired. Support should be given to those who can return to work in conjunction with contract language authorizing light duty work. Officers on the sick and injured payroll should be closely monitored.

9. As its public safety role is changed, the BFD should investigate other opportunities. Given its response to many ambulance related incidents, the department might consider merging this function with the Department of Health and Hospitals. Additionally, it is worth exploring the feasibility of having the City of Boston manage and operate the Chelsea Fire Department. Boston responds to hundreds of mutual aid calls annually in Chelsea with little in return from that community. The Boston Fire Department could manage the Chelsea Fire Department and be compensated through a provision in the State Aid Reimbursement formula with the provision of maintaining suppression levels in Boston and neighboring communities of East Boston and Charlestown.

As of June 1, 1994 there were 1,543 firefighters employed by the BFD or 54 fewer than were funded in the budget. The BFD has been suffering from an attrition problem for several years. The actual and budgeted personnel numbers are as follows:

| | 1995 Funded Quota | June 1st Staffing |
|--------------|----------------------|----------------------|
| Firefighters | 1617 | 1543 |
| Civilian | 89 | 84 |
| Fire Alarm | <u>72</u> | <u>73</u> |
| Personnel | 1778 | 1700 |

The assignment detail of firefighters in the BFD is as follows:

| | |
|------------------------|----------|
| Minimum Staffing | 1200 |
| Additional Suppression | 122 |
| Pool Officers | 34 |
| Injured or Sick | 33 |
| Headquarters Officers | 25 |
| Fire Prevention | 69 |
| Training | 24 |
| Maintenance | 27 |
| Special Services | 7 |
| 3rd Harbor Tunnel | 1 |
| Central Artery | <u>1</u> |
| Total Firefighters | 1543 |

The FY 1995 budget is \$86,335,097 which is \$2.7 million higher than the FY 1994 budget. It breaks down as follows:

| | | |
|-----------------------|----------------|--------------|
| Personel Services | \$80,319,727 | 93.02% |
| Contractual Services | 2,378,400 | 2.75% |
| Supplies & Materials | 1,853,300 | 2.15% |
| Charges & Obligations | 1,551,470 | 1.80% |
| Equipment | <u>242,200</u> | <u>0.28%</u> |
| Total | 86,335,097 | 100% |

Included in the FY 95 budget is approximately \$2 million to provide for a 58 member Recruit Class. The BFD has experienced an attrition rate of about 30 people annually, mostly due to retirements. The recruit class, which is

currently in training, is the first new class in two and one-half years.

The Fire Department budget has fluctuated in recent years. It decreased from FY 92 to FY 94 and the number of firefighters decreased. The past ten years budget numbers are:

BFD Budget Appropriations
and Personnel Funding

| Year | Budget \$M's | Fire- fighters | Civilians | Fire Alarm | Total Personnel |
|--------------------|-----------------|-------------------|-----------|---------------|--------------------|
| 86 | \$62.9 | 1587 | 86 | 70 | 1743 |
| 87 | 68.2 | 1621 | 91 | 74 | 1786 |
| 88 | 72.7 | 1676 | 99 | 79 | 1854 |
| 89 | 80.6 | 1668 | 96 | 79 | 1843 |
| 90 | 85.5 | 1668 | 101 | 81 | 1850 |
| 91 | 86.6 | 1652 | 98 | 82 | 1832 |
| 92 | 83.6 | 1668 | 91 | 78 | 1837 |
| 93 | 83.3 | 1625 | 87 | 77 | 1789 |
| 94 | 83.6 | 1596 | 88 | 72 | 1756 |
| 95 | 86.3 | 1614 | 90 | 74 | 1778 |
| <hr/> | | | | | |
| Period Variance | +\$23.4 | +27 | +4 | +4 | +35 |
| %Increase | 37.20% | 1.70% | 4.65% | 5.71% | 2.01% |

Fire Department Staffing

The BFD is a labor intensive department. Ninety-four per cent of the budget is allocated for personnel costs. The total FY 94 budgeted staffing level is 1,756 including firefighters, civilians and fire alarm personnel.

The strength of the BFD is its suppression force. Commissioner Pierce has maintained the Suppression Force at a level which provides for 4 or 5 firefighters on each piece of equipment. It is his number one priority and one with which the Finance Commission concurs. Over the past few years there has been a reduction in the number of firefighters from a budgeted quota of 1676 in FY 1988 to the current 1543. Commissioner Pierce has maintained the level of the suppression force by transferring officers from other divisions. Twenty-two

firefighters were transferred from fire prevention to fire suppression during FY 94. The new recruit class offsets some losses but in recent years there has been no concrete plan to manage the attrition problem at the BFD.

Fire Suppression personnel, including officers and firefighters work an eight week rotating schedule. The hours and days of work may vary but over the 8 week period it averages 42 hours weekly. Firefighters either work a ten hour day shift or a fourteen hour night shift. Minimum time between shifts is 24 consecutive hours with maximum time being 72 hours.

The target staffing goal within the fire suppression division is to have 300 personnel working at all times. The current staffing levels are:

| | |
|---|-----------|
| 17 fire companies 1 officer with 4 firefighters | 85 |
| 42 fire companies 1 officer with 3 firefighters | 168 |
| 2 division chiefs with aides | 4 |
| 12 district chiefs with aides | 24 |
| Air Bottle Truck | 2 |
| Hazardous - 3 | 1 |
| Hazardous - 2 | 1 |
| | <hr/> 285 |

On average there are four duty shifts per week. Therefore it requires between 1140 to 1200 fire personnel to staff the minimum city wide staffing goals.

Available firefighter staffing by district is as follows:

| District | Actual Number | Staffing Range High/Low |
|--------------|---------------|-------------------------|
| 1 | 94 | 100/80 |
| 3 | 232 | 220/176 |
| 4 | 126 | 120/96 |
| 5 | 85 | 80/64 |
| 6 | 83 | 80/64 |
| 7 | 110 | 100/80 |
| 8 | 96 | 80/64 |
| 9 | 97 | 80/64 |
| 10 | 82 | 80/64 |
| 11 | 97 | 100/80 |
| 12 | 132 | 120/96 |
| Chiefs&Aides | 99 | 104/104 |
| Air Bottle | 3 | 2/2 |
| Totals | 1325 | 1266/1034 |

Maintenance Division

The maintenance division has a budget of \$2,721,590 and a staff of forty-two (42) employees, twenty-four (24) of whom are firefighters. Personnel Services budget is \$1,779,390.

The division is responsible for the maintenance of all equipment and most of the BFD buildings. However, the bulk of vehicle maintenance work is performed through service contracts. Over 90% of non-salary budget items is spent with outside contractors for the maintenance of equipment. All major work is performed in this fashion.

The Commission reviewed the job responsibilities and the salaries of every firefighter in the division. Of the twenty-four firefighting personnel assigned to the division, five hold supervisory positions, sixteen firefighters comprise the motor squad (four of whom are squad leaders) and three act as evening watchmen. The salary structure is as follows:

| | |
|------------------------------------|----------|
| Superintendent of Maintenance ---- | \$70,925 |
| Assistant Supt. of Maintenance --- | 60,890 |
| Engineer ---- | 56,200 |
| Asst Engineer ----- | 52,280 |
| Inspector of Fire Apparatus--- | 43,570 |
| (4) Motor Squad Leaders ----- | 42,900 |
| (12) Moter Squad members ----- | 41,274 |
| (3) Watchmen ----- | 38,077 |

The Superintendent manages the operation, particularly the equipment. The Assistant Superintendent is responsible for building maintenance. The Engineering Officer assigns work to members of the department. The position of assistant engineer is occupied by a firefighter who has been out injured for almost a year. The Inspector is responsible for quality control. The squads each have a group leader and perform all routine light maintenance work. The watchmen act as night security.

The actual motor squad is comprised of four rotating shifts with four firefighters on each shift. They work the same rotating schedule as do firefighters, ten hour day shifts and fourteen hour night shifts. The rationale for having the motor

squad comprised of firefighters is that the squad is required to be at every working fire. Their knowledge of procedure and ability to assist in firefighting duties can be utilized if needed.

The reality is that most of the time the motor squad is at the Southampton St. facility or around the City making minor repairs to vehicles. The squad members are familiar with the equipment. Routine services include such things as oil changes, bulb replacement, lubrication of trucks and miscellaneous repairs. During the winter the motor squad assists in problems with freezing water lines at fire scenes.

The Southampton St. facility is an archaic and outdated building. It is not equipped to adequately maintain equipment. For the most part it is a large storage facility.

Three firefighting positions in the maintenance division are for watchmen. They work during night hours at Southampton St. essentially as security personnel. All three are firefighters who are on what would be considered light duty status were it allowed in the union contract.

The maintenance division is not cost effective, the salaries exceed those of other comparable city departments and there are no job descriptions or job requirements. A comparison of salaries between other maintenance employees in either the Public Works or Transportation Departments shows that the BFD salaries are excessive for the work performed.

| | |
|--|------------------|
| Asst. Sup of Maint Transportation Dept. & Public Works | |
| Dept.----- | 53,400 |
| Gen Foreman BTD and PWD ----- | 36,200 |
| HMEO ----- | 23,000 to 26,000 |
| MEO ----- | 22,000 |

Comparisons with salaries of maintenance employees at the Police Department further identifies salary differences:

| | |
|--|----------|
| Director of Transportation, MM11 ----- | \$51,454 |
| Sup. of Auto Maintenance, R15 ----- | 30,775 |
| Motor Equipment Foreman, R14 ----- | 29,840 |
| Motor Equipment Repairman, R10 ----- | 22,166 |

The Police Department employs civilian mechanics who fall under the City of Boston pay scale.

While it is apparent that members of the motor squad are capable and familiar with the equipment, their skills are not fully utilized. The complexity of the equipment as well as the inadequate maintenance building results in any major work being done by outside vendors. Over 90% of the non-salaried budget is spent on outside contractors.

Chain of Command

The BFD has a significant number of uniformed personnel in supervisory positions. Every uniformed employee, regardless of rank, are members of the same union. The Commission discussed the issue with Commissioner Pierce and Chief MacCurtain, neither of whom view it as an problem. The Commission disagrees.

It is difficult to separate union loyalty from management needs. BFD management needs to change the structure of the department through the collective bargaining process. That does not happen effectively when the Commissioner is a member of the same union. It is inevitable that the lines of authority and loyalty are blurred. The Commission urges a review of this situation.

The BFD employees hundreds of its firefighting personnel in supervisory positions.

| | |
|----------------------------------|------------|
| Commissioner ----- | 1 |
| Deputy Chief of Operations ----- | 1 |
| Deputy Fire Chiefs (FD6) ----- | 8 |
| Other FD 6 positions ----- | 7 |
| District Fire Chiefs (FD5) ----- | 50 |
| Other FD 5 positions ----- | 11 |
| FD 4 positions ----- | 2 |
| Captains (FD3) ----- | 63 |
| Other FD 3 positions ----- | 24 |
| Lieutenants (FD2) ----- | 200 |
| Other FD 2 positions ----- | 44 |
| | <u>411</u> |

The firefighter (FD1) position accounts for 1,094 budgeted slots. In addition, an additional 54 firefighters are aides to Chiefs and Deputy Chiefs. The span of control in the BFD is less than 3 to 1.

There are 54 aides to chiefs and deputy chiefs. These personnel are firefighters who assist the Chief directing fire scenes. When not at a fire scene the bulk of their time is spent doing administrative work for the chief and handling inspection and fire prevention duties within their assigned districts. Commissioner Pierce and Chief MacCurtain make a compelling argument for the need for these positions at the scene of any fire.

The Finance Commission does not question the need for assistance at a fire scene. As was evidenced just recently in the tragic warehouse fire, there will continue to be serious fires in the City of Boston. There may be other ways to alter or rework the span of control in the BFD. What seems apparent to the Commission is that the calls for service have changed significantly in the past ten years. The structure of the department and the allocation of supervisory personnel should be designed to meet the present needs of the department and not those of the past. There are too many supervisory employees in relation to the total number of firefighters. It is a subject that should be closely reviewed in any detailed management audit.

Fire Alarm

The fire alarm division is identified as the Special Services component of the Fire Department. It has a FY 1994 budget of \$4,754,034. There are 87 budgeted positions of which 85 are filled. Seven of the employees are firefighting personnel, five are clerical positions and the remaining 73 positions are civilian employees who receive the public safety benefit of firefighters because they belong to Firefighters Union #49.

Special Services has two divisions. The alarm division manages all fire department communications on a city-wide basis and the dispatching of equipment. The construction division is responsible for maintaining the alarm boxes throughout the city.

The seven firefighting positions in Special Services appear on the Fire Department Headquarters payroll although they are charged to Fire Alarm for budget purposes, a practice opposed by the Finance Commission. The unit is headed by the Director of Civil Defense who is a Deputy Fire Chief. There are a deputy chief, three fire captains and two firefighters working as aides.

The alarm and construction division perform jobs that are civilian positions. They are paid as though they were public safety personnel because they are part of the firefighters union. For example, all receive hazardous duty pay, night differential, and the other benefits of the firefighters union contract.

The fire alarm division is another component of the department that merits close review in any prospective management audit. False alarms from fire alarm boxes are a significant problem and account for a significant number of responses. Although the number of alarm box false alarms has decreased in the last five years, it accounted for 46.9% of false alarms in 1993. Conversely, fire alarm boxes only account for 5.7% of all actual reported incidents.

There should also be consideration given to the elimination or reduction in the number of fire alarm boxes in the City of Boston. There are about 1,300 street boxes. Many of the boxes are not well used. Of fires being reported, alarm boxes account for a small and decreasing percentage. The available data from every alarm box in the City is readily available and could be the basis for change.

The alarm boxes in the City of Boston were created at a time when it was the most effective means of communication. That is no longer true. The technology is out of date. Perhaps any continuation of the alarm box system should incorporate a microwave design or some modern means of communication. It would be more effective and less costly to maintain. A management audit should closely review this area.

The Fire Prevention Program includes Inspectors, Arson Investigation, Public Education, Licenses and Permits. Since FY 1991 the program budget has been reduced by \$1,067,725 or 22%. Staffing has been reduced from 116 to 83. The staffing reduction has been primarily firefighters transferred to Fire Suppression. The Commission understands the reasons the Commissioner has reassigned people from Fire Prevention to the Suppression force. However prevention is a service area that cannot be given a low priority. The Commission urges BFD to enhance and maintain its Fire Prevention Program.

Sick and Injured Firefighters

The BFD has a separate payroll for sick and injured firefighters. After a firefighter has been out sick or injured for a week the firefighter is placed on what BFD refers to as its "Personnel Payroll". Presently there are 34 firefighters on the payroll. Of those individuals, 21 were on the payroll in December, 1993. Six of them were on the payroll in December, 1990 and remain today, not retired, not able to return to work yet being counted as active firefighters.

Commissioner Pierce has complained about the amount of time it takes to have a firefighter retired when there is no chance that the individual will return to work. This has been a longstanding problem in the City of Boston.

The payroll policy of the BFD, as explained to the Commission, is that a firefighter stays on the regular payroll for one week after the initial sickness or injury. After that a transfer is made to the personnel payroll. At that time the department's personnel division requires weekly medical reviews. We found examples of firefighters who have been out for extended periods of time without being placed on that payroll.

There is no personnel management expertise in the BFD. The chief in charge of personnel assumes that position after a stint as a district chief. The rationale for that is that it has always been that way in the BFD. The lack of qualified management is a significant problem. It leads to nothing being done about retirement delays. It contributes to a lack of payroll integrity. Again, this is an area in need of change.

Fire Department Union Contract

Boston Fire Fighters Local No. 718 represents uniformed and fire alarm personnel. Union members are separated into two units. Unit A includes uniformed firefighters and members of the Fire Alarm Division. Unit B covers all District and Deputy Chiefs.

The union contract expired June 30, 1990. The terms of the contract will remain in force until a successor contract replaces it. There should be a new contract in the near future.

Compensation

The weekly compensation of firefighters is made up of four items: Basic Salary, Night Differential; Hazardous Duty or Special Compensation and Transitional Career Awards.

The Weekly Basic Salary ranges from \$485.48 for a starting firefighter to \$1,171.79 for a Deputy Fire Chief. Night Differential adds 9.3% to the base salary so that a starting Fire Fighter receives \$45.15 weekly. A Deputy Fire Chief receives \$108.98 weekly for differential. All members receive night differential even if they work a 9 to 5 weekday shift.

Hazardous Duty pay also referred to as special compensation is also part of the weekly salary. It adds 4.75% to base pay. It is referred to as hazardous duty pay for firefighters and special compensation for fire alarm operators. All personnel receive it regardless of the job they perform. A starting firefighter receives hazardous duty compensation of \$23.06 regardless of the actual job. A Fire Deputy Chief receives \$55.66.

Firefighters and alarm personnel receive Transitional Career Awards based upon the length of service with the department. The dollar value for a firefighter ranges from \$25.05 per week after five years to \$42.29 per week after 25 years. Fire Lieutenants receive \$14.65 per week; Fire Captains receive \$16.85 per week; A Fire District Chief receives \$19.37 and Fire Deputy Chiefs receive \$22.27 per week. To summarize examine the following three positions:

| | Starting firefighter | 5 yr. firefighter | Deputy Fire Chief |
|----------------------|-------------------------|----------------------|----------------------|
| Base | 485.48 | 602.51 | 1171.79 |
| Differential | 45.15 | 56.03 | 108.98 |
| Hazardous Duty/Spec. | 23.06 | 28.62 | 55.66 |
| Transition | -0- | 25.05 | 22.27 |
| Weekly | 553.69 | 712.21 | 1358.70 |
| Annual | \$28,902.62 | 37,177.36 | 70,924.14 |

In addition to the pay listed firefighters receive additional compensation based upon position or substitute compensation. For example, the firefighter serving as Supervisor of Maintenance received Deputy Chief pay of \$70,924.14 instead of firefighter wage of \$38,077.

The current contract lists 45 positions as specialist categories. These specialty ratings range from a high of \$9,000 down to \$100 with most in the \$1,000 to \$2,000 range annually. Although each of these positions is occupied by public safety personnel it seems apparent that many could be performed by civilians i.e. photographer and some of the various maintenance positions. They receive either additional specialist pay or substitute wages at a higher pay rate.

Every union member receives all the financial benefits of the contract. The actual firefighting workforce should receive the financial benefit of hazardous duty pay while those who are not fighting fires should not.

Staffing

A review of the work loads of the various fire units indicate differences among the fire districts. For example, the firefighters assigned to District 5, 560 Huntington Ave., Roxbury, Engine 37 and Ladder 26 average 9 and 10 runs per day respectively.

In contrast there are firefighters who have large amounts of time when they are not fighting fires. As an example, Engine 49 located on Neponset Valley Parkway, Hyde Park averages less than 1 run per day and several ladder companies less than three.

Ladder Company 26, the busiest in the city with 3528 runs has a staffing of 22. While Ladder 9, Main St. Charlestown had only one quarter of the runs of Ladder 26 but a staff of 23.

Due to the geographical public safety needs in the City it is impossible to equalize the workload. But it is time to consider a better utilization of existing staffing. Fire prevention, public awareness, home safety inspections, etc. could be largely decentrailized. More could be done from each individual station.

Conclusion

During our review of the BFD one important fact is evident, there is quality and commitment within the firefighting force. Boston has an excellent fire department. At the same time it is apparent to everyone that the nature of the job is changing. There are many fewer working fires, fifty percent fewer than just ten years ago. The BFD has to begin to change with such a clear and obvious trend.

Currently the City has issued an RFP to have a qualified consultant review the department and recommend innovative means of addressing current and future fire-related needs. The Finance Commission views this as an excellent opportunity to improve the BFD. It concerns the Commission, however, that the language of the RFP mentions only fire-related needs.

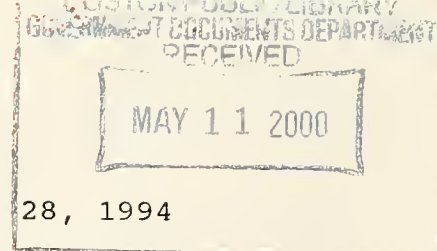
The BFD is receiving more calls that are not fire related. For example, in the period from January 1, 1994 to April 30, 1994 the BFD responded to 2,216 calls reporting a fire or explosion. During that same time it responded to 3,245 calls for rescue or EMS. There were 3,082 service calls such as water leaks, steam leaks, accidents with no injuries. There were 2,435 good intent calls, and over 4,000 false and needless alarms.

The BFD needs to change. The public is using the services of the BFD as often as always but much differently. It is time to consider merging the EMS system in the City. Clearly it is time to look at the alarm system and ways to reduce false and needless alarms. It may be time to expand the role of the BFD to neighboring communities. With the acknowledged problems in neighboring Chelsea and the fact that Boston already responds often there perhaps the City should pursue managing that department and be reimbursed for it through increased state aid.

The City needs to look closely at every position in the department. Firefighters should not be doing jobs that could be done by civilians. Maintenance functions should be done by civilians. Personnel management is lacking and needs management expertise. Recently the BFD fired two firefighters for stealing departmental revenue. That would be less likely to occur if department income was handled appropriately by someone with financial skills and not by people skilled as firefighters.

The areas addressed in this report should all be part of any management audit. The City of Boston has a capable firefighting force. Citizens expect quick response and receive it. The Commission hopes that those city officials responsible for managing the audit along with Commissioner Pierce and Chief McCurtin will work cooperatively together in bringing about some needed change to the Boston Fire Department.

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CONTRACT NEGOTIATIONS WITH THE BPPA PROVIDE THE CITY WITH
AN OPPORTUNITY TOWARDS FULFILLING THE OBJECTIVES
OF COMMUNITY POLICING

Introduction

Public safety is at the forefront of municipal concern. The contract requirements of the Boston Police Patrolmen's Association (BPPA) and the personnel needs of the City need not be mutually exclusive. The contract between the City and the BPPA expired on June 30, 1990. The BPPA is seeking both a pay increase and retroactive pay. The Police Department is in the process of developing a community policing plan. The 1993 Plan of Action cited the need for 350 additional police officers for community policing to be implemented.

The Finance Commission recommends that a five day work week be negotiated into the new BPPA contract. Further, the Commission recommends that the Police Department tighten internal personnel practices. The department must also insist that with the exception of authorized light duty, every police officer work directly in a public safety function.

Summary of Recommendations

1) Under no circumstances should the City use non-recurring revenues to meet the retroactive pay demands of the BPPA;

- 2) The City should negotiate a five day work week with the BPPA;
- 3) Boston Police Commissioner Paul Evans must specifically outline the staffing requirements of a community policing plan;
- 4) Subsequent to the above identification the City must develop the most cost effective plan to meet staffing goals;
- 5) Contract language for overtime and paid details should be stricter to insure that officers work the entire amount of time for which they are compensated;
- 6) With the exception of authorized light duty every sworn police officer should be working in a public safety function;
- 7) Police officers should only be compensated for specialty and detective stipends when actually performing such duties.

BACKGROUND

Community Policing

Community policing is a priority for recently appointed Police Commissioner Paul Evans. It has been estimated that approximately 2,270 police officers are needed to successfully implement a plan. But the actual number of officers needed for such a plan must be determined by the City. Subsequent to that the City must make the financial and planning decisions to reach that number of officers and maintain it through a program to employ new recruits in sufficient numbers to offset losses of personnel through attrition.

Staffing Levels

The number of police officers in the city's employ has decreased since 1990. In August of 1990 there were 2,007 police officers on the city payroll. Currently it is 1,886. The decline in the number of uniformed officers must be reversed in order to adequately staff the community policing objectives of the Department.

The 1994 fiscal year budget of the Boston Police Department is \$126,310,000. It has been essentially unchanged for the past four years. Fiscal year 1991 expenditures, for example, were \$125,340,042. The principal component of the budget is for personnel. Salaries account for \$101,075,887. The overtime budget is \$10,622,600 and unemployment and workers compensation expenses are \$315,036.

Officers were paid an additional \$16,451,797 in the 1993 fiscal year and \$7,790,591 in the first half of fiscal year 1994, for paid details. Those funds are charged to individuals and companies and are not part of the departmental budget.

The present budget funds 1,952 uniformed officers yet as of January 1, 1994 there were only 1,886 uniformed Police Officers in the employ of the City. The current complement of the uniformed branch is as follows:

| | |
|---------------------------|--------------|
| Commissioner ----- | 1 |
| Superintendent ----- | 6 |
| Deputy Supt. ----- | 14 |
| Captain ----- | 17 |
| Captain, Detective ----- | 5 |
| Lieutenant ----- | 34 |
| Lieutenant, Detective --- | 27 |
| Sergeant ----- | 141 |
| Sergeant, Detective --- | 84 |
| Detective ----- | 255 |
| Patrol Officers ----- | 1,302 |
| | <u>1,886</u> |

1987-1990 The BPPA Contract

The last contract with the BPPA covered the three year period of July 1, 1987 to June 30, 1990. It was agreed to in October, 1988, over five years ago and was generous to police officers. All officers received three year salary increases in excess of 27% and some over 40%. Overtime and paid detail language in the contract created additional financial opportunities as well. The contract was promoted as a three year agreement paying officers 6.5% in each year. But it was more than that. The two sides were innovative in contractually defining different ways to define pay raises. Base pay increased in three 6.5% increments:

Effective 7-1-87

Patrol Officer - Step 3 527.93

Effective 7-1-88

Patrol Officer - Step 3 562.25

Effective 7-1-89

Patrol Officer - Step 3 598.80

The three year base increase was 21%. However, night differential (9%), hazardous duty pay (1.25%, 2.25% and 3.25%), weekend differential (5.31%, 5.81% and 6.06%), and 911 availability (.7%) are added to the base pay of every officer. For example, a 9 to 5 employee working light duty weekdays received all of the above. There are thirty-seven different assignment differentials, clothing allowances, longevity increases, and educational incentives. The base pay of the patrolman in step 3 of the prior contract was \$495. Combining the three year increases with the many differentials, that officer was being paid \$712.63 in July of 1989, an increase in pay of over 40%.

Pay and benefits were further increased by adding different specialist ratings, educational career awards, longevity increases and additions to clothing allowances. There was an additional week of vacation for officers with more than 20 years of service. Police officers have 4 personal days and the most liberal sick leave buy back of any city union, up to ten days per year.

The BPPA contract is generous in defining overtime provisions and the process for paid details. Officers are guaranteed a four hour minimum if called in to work overtime. Court time is also paid on a four hour minimum even if the officer involved spends significantly less time on court business. All paid details require a four hour minimum.

Current Contract Status

The BPPA began the arbitration process eight months ago. The bargaining issues have already been certified by the State Labor Management Committee.

The BPPA is making an issue of excess funds the City received from state land-takings. The union has complained that the City has not bargained in good faith and has the money to negotiate both a pay increase and meet the union demand for retroactive pay.

Under no circumstances should the City use non-recurring revenues to meet the retroactive pay demands of the BPPA. The BPPA has proposed that the City use a significant portion of the balance of the Surplus Property Fund to settle the contract. Those monies were received from the Commonwealth in exchange for land transferred to the State as part of the Central Artery project. The past few years have been difficult financial years for the City of Boston. When the City had a strong revenue base the BPPA received an exceptionally generous contract. The BPPA must recognize that that is no longer the case.

RECOMMENDATIONS

A Five Day Work Week for Police Officers

The Police Department can maximize its resources through a change in the work schedule. The present four days on followed by two days off work schedule results in officers having 244 work days per year. That number is reduced by 13 paid holidays, 4 personal days and sick time. The average patrol officer works about 200 days per year. Every officer in the Police Department either works or has the benefit of the 4 & 2 work schedule. A five day work week adds 17 days per officer per year. It would significantly add to the number of officers on the street. There are 1,302 patrol officers on the payroll thus the increased work week would mean over 22,000 added shifts. It would result in an additional 424 shifts per week or 60 additional officers working each day.

Improved Personnel Practices

Adding more police officers seems to be the only strategy to implement neighborhood policing objectives. In addition to a change in the work schedule described herein, the

Commission has been a long time advocate of improved personnel management practices that would add to the number of officers available for assignment. The department needs to be more restrictive with the authorization of specialty ratings and detective ratings. Presently, both superior officers and patrol officers are being paid for ratings that they do not fulfill.

There are other internal personnel factors that must be reconsidered if community policing is to become a reality:

1 - There are over 100 police officers who perform work that should be done by civilian personnel. Authorized light duty should be the only status for a police officer to perform non-police work.

2 - The Police Department does an improved but still inadequate job managing attendance, particularly regarding permanent payrolls for officers on sick or injured status. As of January, 1994, there were 84 officers unavailable by virtue of long time sick or injured status. The department has the technology to track this problem but needs the commitment to get it done.

3 - The Police Department allows for the payment of differential pay and detective pay to recipients who do not perform the function. A detective rating pays a patrol officer an extra \$62.04 weekly and a superior officer \$35.38 per week. Specialty ratings are identified in the contract. Officers should not receive the added compensation if they no longer work as detectives or in the different specialists categories. Those dollars could be better spent funding new recruits.

4 - Police officers earned \$16,451,797 in fiscal year 1993 and have been paid \$7,790,591 in the first six months of this fiscal year in paid details. Many officers double their pay by working details. The paid detail system should be revised. Contract language that requires the City to pay officers for details within 14 days should be scrapped. A monthly payroll should be sufficient and would ease the burden on the city and reduce the number of grievances. The detail system should be managed by civilian employees and there should be restrictions on how many details officers can work to avoid any adverse affects on their prime tasks.

5 - Overtime must be managed more efficiently. Court time particularly merits a closer review. The City should endeavor to work with the District Attorney's Office to better schedule time and notify officers of postponements. Officers working overtime should actually work the four hours for which they are paid.

6 - During the upcoming negotiations with the Superior Officers Assoc. the City needs to negotiate fixed shifts into the work schedule. The BPPA works fixed shifts. Superior officers do not which means many officers have a different supervisor on a daily basis which is a poor management practice.

Conclusion

Every indication is that the City of Boston needs about 2,270 uniformed police officers to fulfill the goals of community policing. If that number is accurate then the City is currently short 384 officers. The City does not have the financial resources to hire that many additional officers.

Reallocation of existing resources to help meet what is clearly a major public safety need is in the Commission's view a viable option. The City should also require every police officer not assigned to contractually authorized light duty to function as a police officer and not perform a job that could be done by a civilian. Authorization of specialty pay should be strict. The Commission strongly recommends that it is time to tighten the reins on overtime and paid details. The contract requires four hour minimums for each and the department must demand fours hours of work in return.

Community policing will be difficult to finance and it is imperative that every opportunity be pursued to meet this goal.

